



**HALIFAX HEALTH**

**Audit & Finance  
Committee**

**Wednesday, October 31, 2018**

**Meeting Location**

Halifax Health

France Tower, Conference Room A

**4:00 p.m.**

# HALIFAX HEALTH AUDIT & FINANCE COMMITTEE

4:00 p.m., Wednesday, October 31, 2018

## AGENDA

### I. CALL TO ORDER

### II. MINUTES

- Audit & Finance Committee, August 2018 portal page 3, **action requested**

### III. AUDIT COMMITTEE

#### Corporate Compliance, Shelly Shiflet

- Monthly Compliance Dashboard Reports portal page 6, **information only**

#### Internal Audit, Bill Rushton

- Audit Services Discussion and Analysis portal page 10, **action requested**
- Penetration Testing Presentations, WebEx **information only**
  - Crowe portal page 25
  - Presidio portal page 38

### IV. FINANCE COMMITTEE

#### Financial Report, Eric Peburn

- September 2018 portal page 57, **action requested**

#### Acquisitions, Leases and Disposals, Kent Bailey

- Capital Investment Strategy, September 2018 portal page 81, **information only**
- Capital Expenditures \$50,000 and over portal page 85, **action requested**
  - Negative Pressure Wound Vacuum Units \$357,500
  - Diagnostic Ultrasound for Halifax Health Port Orange \$147,093
  - Halifax/Brooks Physical Medicine & Rehabilitation Practice Renovation \$91,000
- Disposals, September 2018 portal page 92, **action requested**
- Comparison of Projected and Actual Financial Results for Significant Projects none

#### Old Business

- Meeting Request Tracker/Checklist portal page 93, **information only**

#### New Business

- 2019 Committee Meeting Calendar portal page 94, **information only**

#### Information Only

- Schedule Uses of Property Taxes, September 2018 portal page 95, **information only**
- Discharged Based - Average Length of Stay and Case Mix Index portal page 96, **information only**
- Investment Performance Report, September 2018 portal page 98, **information only**
- Capital Expenditures \$25,000 - \$50,000 portal page 103, **information only**
  - OneView Hospital Quality Reporting Software \$49,900
  - Fire Pump for Halifax Health Port Orange \$48,000
  - Laminar Flow Hoods and Work Benches for Pharmacy \$45,333

### V. OPEN DISCUSSION

### VI. NEXT MEETING

Monday, November 12, 2018, 4 p.m. Investment Committee Meeting  
Wednesday, January 9, 2019, 4 p.m. Regular Meeting

### VII. PUBLIC PARTICIPATION/EXECUTIVE SESSION

### VIII. ADJOURN

Halifax Hospital Medical Center  
Audit and Finance Committee Meeting  
303 N. Clyde Morris Blvd., France Tower, Conference Room A  
Wednesday, August 29, 2018

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

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

Also Present: Jeff Feasel, President & CEO  
Eric Peburn, Executive VP/Chief Financial Officer  
Bill Rushton, Director, Internal Audit  
Shelly Shiflet, Chief Compliance Officer  
Kent Bailey, Director of Finance  
Lisa Tyler, Corporate Controller  
Bob Wade, Compliance Expert  
Alberto Tineo, Senior VP, COO Hospitals  
Catherine Luchsinger, VP & CNO  
Arvin Lewis, SVP & CRO  
Tom Stafford, VP & CIO  
Vivian Gallo, SVP & General Counsel  
Bill Griffin, Director of System Planning  
Dee Schaeffer, Executive Director, Healthy Communities and Government Affairs Officer  
Jill Wheelock, Deputy General Counsel  
Mary Jo Allen, Executive Director, Halifax Health Hospice  
Ben Eby, Director of Finance, Halifax Health Hospice  
Ryan Weber, RSM  
Brandon Slauter, RSM  
Jon Hillmann, RSM

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

## MINUTES

Discussion: Minutes from the May 14, 2018 Investment Committee and June 27, 2018 Audit & Finance Committee Meeting were reviewed.

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

## AUDIT COMMITTEE

### 2018 RSM Client Service and Audit Plan

Discussion: Ms. Tyler introduced Mr. Weber who introduced Mr. Hillmann and Mr. Slauter. Mr. Hillmann will be replacing Mr. Weber as lead external auditor with RSM; his bio and credentials were briefly shared. Mr. Slauter presented the FY 2018 Client Service and Audit Plan. Mr. Slauter led members through the audit scope, the expectations of RSM, highlighting the organization chart of the service team, the risk area and summary audit procedures and timeline. Brief discussion ensued. Of note, discussion included function of internal audit supporting the external audit and should the level of support be changed. Mr. Weber suggested bringing this issue back to a future meeting (end of calendar year or onset of 2019).

Action: None required.

## **CORPORATE COMPLIANCE**

Discussion: Monthly Compliance Program Update Dashboard  
Ms. Shiflet presented the Compliance Dashboard for the months ended July 2018 and June 2018, citing no issues. She briefly highlighted an issue on the compliance log regarding improving the physician payment process which resulted in brief discussion related to software and training. The Committee requested quarterly updates to the implementation of the proposed physician payment software and training.

Mr. Shiflet reported that Carlton Fields has been retained to assist with an initial discovery request made by the Department of Justice.

Action: None required.

## **INTERNAL AUDIT**

Discussion: Mr. Rushton led committee members through the highlights of the FY 2017/18 Audit Plan status and results to date, the top risk areas, and the proposed audit plan. Discussion ensued relating to several issues/items:

- Capacity of external audit to assume what, if any tasks/current roles provided by internal audit and report back to committee;
- Continued efforts between management and medical executive committee regarding the Medical Staff fund and expenditures control; and,
- Elaborating on the FY 19 Proposed Audit Plan at the next committee meeting.

Action: Mr. Francati moved to approve the FY 19 Proposed Audit Plan, subject to staff further elaborating on the plan at the next (October) committee meeting and recommends approval by the Halifax Health Board of Commissioners. Mr. Youngman seconded the motion and it carried unanimously.

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

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

## **FINANCE COMMITTEE**

### **FINANCIAL REPORT**

Discussion: Mr. Peburn reviewed the June 2018 Financial Report, reporting the July financials were not available to date due to the recent Meditech computer system conversion. Discussion ensued resulting in Mr. Feasel suggesting a high level snapshot of the revenue cycle as a future presentation to the committee (i.e. how we bill, get charged, get paid).

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

### **ACQUISITIONS, LEASES & DISPOSALS**

Discussion: Capital Investment Strategy, June 2018

Action: None required.

Discussion: Capital Expenditures \$50,000 and over

•	<i>Roof Replacement – Fountain Tower, Building B</i>	<i>\$504,735</i>
•	<i>Security Camera System Upgrade</i>	<i>\$349,219</i>
•	<i>Storage Array Expansion for Services</i>	<i>\$187,907</i>
•	<i>Audiovisual Equipment Upgrade</i>	<i>\$104,734</i>
•	<i>Information Technology Service Management Software Licenses</i>	<i>\$93,916</i>
•	<i>France Tower Elevator Upgrade</i>	<i>\$76,762</i>

- *Telemetry Monitoring System for Cardiac Rehabilitation* \$61,089

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

Discussion: Disposals, July 2018

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

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

Action: No update; none required.

### **OLD BUSINESS**

Discussion: Meeting Request Tracker/Checklist

Action: No update; none required.

### **NEW BUSINESS**

Discussion: Investment Policy Updates  
Mr. Bailey presented proposed changes to the investment policies of the Halifax Hospice, Halifax Medical Center Foundation and Halifax Health Pension Plan in order to clarify the targeted investment allocation percentages. In addition, at Mr. Walsh's recommendation, it was also proposed that the allocation range in the Emerging Markets should be changed from 3%-7% to 0%-7%. Lowering the allocation percentage is expected to make investment more stable. Brief discussion ensued.

Action: Mr. Youngman moved to approve the recommended changes to the Investment policies (Halifax Health Hospice, Halifax Medical Center Foundation and Halifax Health Pension Plan) as proposed and recommends approval by the Board of Commissioners. Mr. Motto seconded the motion and it carried unanimously.

### **INFORMATIONAL REPORTS**

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

- *Bioquell Decontamination System* \$45,000
- *Routers for Services to Remote Locations* \$29,652

Action: None required.

### **OPEN DISCUSSION**

**NEXT MEETING DATE:** Monday, September 10, 2018, 4 p.m. Budget Workshop Combined with the Halifax Health Board of Commissioners

Monday, September 10, 2018, 5:05 p.m. First Budget Public Hearing

Wednesday, October 31, 2018, 4 p.m. Regular Meeting

### **ADJOURNMENT**

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

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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: September 24, 2018  
Re: Compliance Dashboard Report for the month ended August 31, 2018

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The Compliance Program Dashboard Report for August 2018 is attached. Item III(2) did not meet the target defined on the report. The target is set for at least 70% of the 12 members to attend the Compliance Committee meeting. Eight (8) of the twelve (12) members (or 66.7%) attended the August 1, 2018 Compliance Committee meeting:

Members Present:

Shelly Shiflet, Vice President and Chief Compliance Officer;  
Dr. Margaret Crossman, Chief Medical Officer;  
Maria Crumlich, Director, Hospice;  
Bill Griffin, Director, System Research and Planning;  
Khalelah Jones, Privacy Officer;  
Catherine Luchsinger, Chief Nursing Officer;  
Tom Stafford, Vice President and Chief Information Officer; and,  
Jillian Wheelock, Assistant General Counsel (General Counsel Alternate).

Members Absent:

Kim Fulcher, Senior Vice President and Chief Human Resources Officer;  
Arvin Lewis, Senior Vice President and Chief Revenue Officer;  
Eric Peburn, Executive Vice President and Chief Financial Officer; and,  
Alberto Tineo, Senior Vice President, Operations.

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

Mr. Wade can be reached at: [Bob.Wade@btlaw.com](mailto:Bob.Wade@btlaw.com)  
Office: 574.237.1107

I can be reached at: [shelly.shiflet@halifax.org](mailto:shelly.shiflet@halifax.org)  
Office: 386.425.4970

**Recommended Action:** None. Information only.

**Halifax Health**  
**Corporate Compliance Program**  
**Board Report – 8/31/2018**

**ON TARGET**

**ALERT**

**I. EMPLOYEE AND BOARD EDUCATION** – Halifax Health's compliance program and Corporate Integrity Agreement requires most employees to acknowledge the Code of Conduct within 30 days of hire. Employees who are considered "Covered Persons" are required to complete 1 hour of general compliance training within 30 days of hire and annually thereafter. Managers and others who are considered "Arrangements Covered Persons" must complete an additional hour of general education and 2 hours of arrangements training within 30 days of becoming an "Arrangements Covered Person," and annually thereafter. Members of the Board are required to complete 6 hours (2 hours general, 2 hours arrangements, and 2 hours governance) of training within 30 days of becoming a member. The following is the status of education for Halifax Health's employees and other Covered Persons:

	➤	<b>Code of Conduct Attestation<sup>1</sup></b>
	1. 4,096	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%)

	➤	<b>CIA Required Training<sup>2</sup></b>
	1. 3,998	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:

	➤	<b>Sanction Check for Covered Persons<sup>3</sup></b>
	1. 4,960	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. 12	Number of members on <i>Compliance Committee</i>
	2. 66.7%	% of members who attended the meeting (On Target at 70% or Greater) – last meeting date with approved minutes is 8/1/2018
	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. 2 / 51	Number of Help Line calls received during month/past 12 months
	2. 0 / 25	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 7/31/2018
	4. 0	Number of open Help Line calls rated as High Priority as of 8/31/2018
	5. 5	Number of Help Line calls closed since last month

**V. COMPLIANCE ISSUES**

	1. 23	Number of issues open as of 7/31/2018
	2. 11	Of the issues in item 1, ___ remain open as of 8/31/2018
	3. 12	Number of issues from item 1 closed as of 8/31/2018
	4. 52%	Percent of open issues from item 1 closed (On Target at 25% or Greater)

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

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

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

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

<sup>2</sup> 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.

<sup>3</sup> 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: October 22, 2018  
Re: Compliance Dashboard Report for the month ended September 30, 2018

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The Compliance Program Dashboard Report for September 2018 is attached.

Please refer to footnote 2 on the report. On 9/27/2018, Brooks management notified Halifax Health of a Brooks coder who had been coding for the Inpatient Rehab for approximately one year. We evaluated the facts and determined that the coder may meet the definition of a *Covered Person*. The coder completed the required training on 9/27/2018. We are reporting this as an exception in an abundance of caution.

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](mailto:Bob.Wade@btlaw.com)  
Office: 574-237-1107

I can be reached at: [Shelly.Shiflet@halifax.org](mailto:Shelly.Shiflet@halifax.org)  
Office: 386-425-4970

**Recommended Action:** None. Information only.



**Halifax Health**  
**Corporate Compliance Program**  
**Board Report – 9/30/2018**

**ON TARGET**

**ALERT**

**I. EMPLOYEE AND BOARD EDUCATION** – Halifax Health's compliance program and Corporate Integrity Agreement requires most employees to acknowledge the Code of Conduct within 30 days of hire. Employees who are considered "Covered Persons" are required to complete 1 hour of general compliance training within 30 days of hire and annually thereafter. Managers and others who are considered "Arrangements Covered Persons" must complete an additional hour of general education and 2 hours of arrangements training within 30 days of becoming an "Arrangements Covered Person," and annually thereafter. Members of the Board are required to complete 6 hours (2 hours general, 2 hours arrangements, and 2 hours governance) of training within 30 days of becoming a member. The following is the status of education for Halifax Health's employees and other Covered Persons:

	➤	Code of Conduct Attestation <sup>1</sup>
	1. 4,104	Number of Covered Persons and Board Members required to complete as of end of period
	2. 99.98% <sup>2</sup>	% of Covered Persons who have completed (On Target at 100%)

	➤	CIA Required Training <sup>3</sup>
	1. 4,004	Number of Covered Persons and Board Members required to complete as of end of period
	2. 99.98% <sup>2</sup>	% 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 Persons <sup>4</sup>
	1. 4,963	Number of Covered Persons as of the end of the period
	2. 100%	% of Covered Persons above who had no sanctions, based on monthly sanction check results (On Target at 100%)

**III. COMPLIANCE COMMITTEE** – Halifax Health has a Compliance Committee responsible for regulatory compliance matters, which meets monthly. Members of senior leadership across service lines as well as representatives from Hospice and the Medical Staff are represented. During the period:

	1. 13	Number of members on <i>Compliance Committee</i>
	2. 76.9%	% of members who attended the meeting (On Target at 70% or Greater) – last meeting date with approved minutes is 8/29/2018
	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. 5 / 51	Number of Help Line calls received during month/past 12 months
	2. 3 / 25	Of calls in 1, how many related to Human Resource issues
	3. 0	Number of open Help Line calls rated as High Priority as of 8/31/2018
	4. 0	Number of open Help Line calls rated as High Priority as of 9/30/2018
	5. 2	Number of Help Line calls closed since last month

**V. COMPLIANCE ISSUES**

	1. 18	Number of issues open as of 8/31/2018
	2. 13	Of the issues in item 1, ___ remain open as of 9/30/2018
	3. 5	Number of issues from item 1 closed as of 9/30/2018
	4. 28%	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.

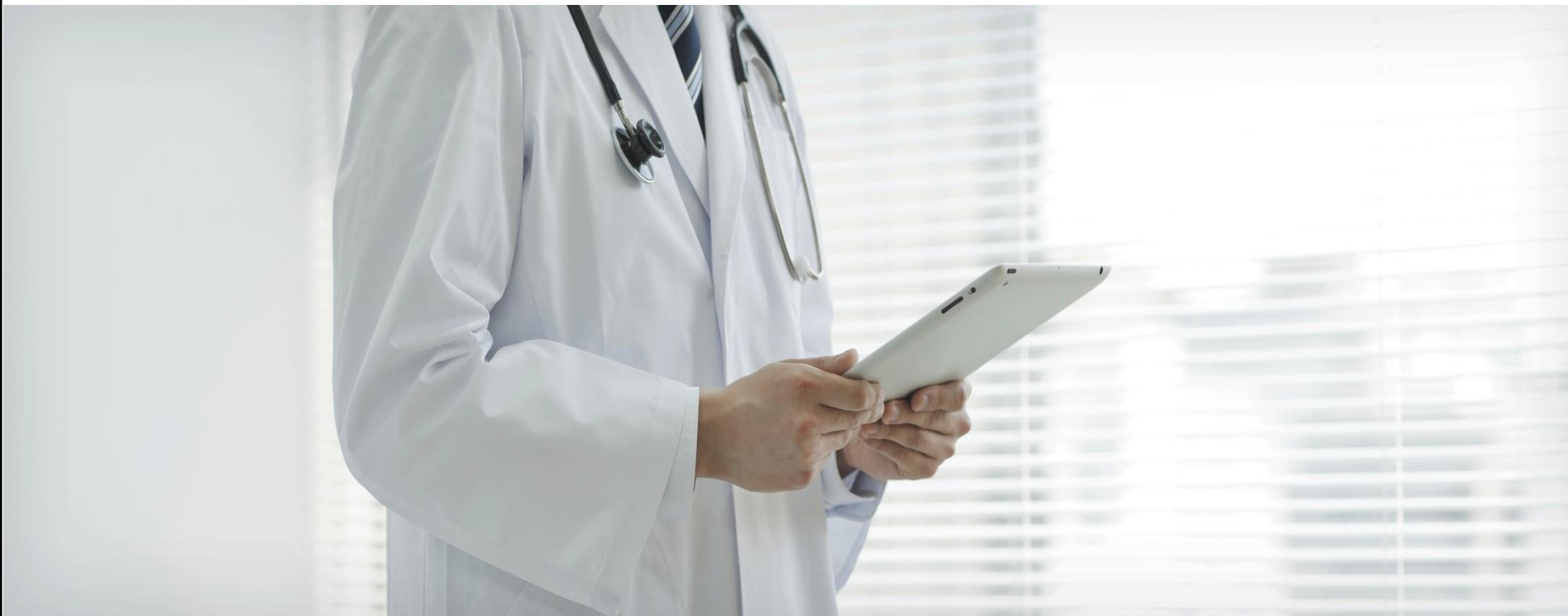
	1. 1	Number of concerns related to billing/coding received during the month
	2. 1	Number of concerns from #1 that required a billing/ coding review
	3. 1	Number of reviews from #1 still being investigated
	4. 0	Number of reviews from #1 closed or pending Committee review
	5. 1	Number of reviews from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

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

<sup>2</sup> On 9/27/2018, Brooks management notified Halifax Health of one (1) Brooks coder who had been coding for Inpatient Rehab for approximately one year. Halifax Health's Compliance Officer evaluated the facts and determined that the coder may meet the definition of a *Covered Person*. The coder completed the required training on 9/27/2018. We are reporting this as an exception in an abundance of caution.

<sup>3</sup> 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.

<sup>4</sup> Sanction Check for Covered Persons - employees, Medical Staff and vendors who meet the definition of a *Covered Person*.



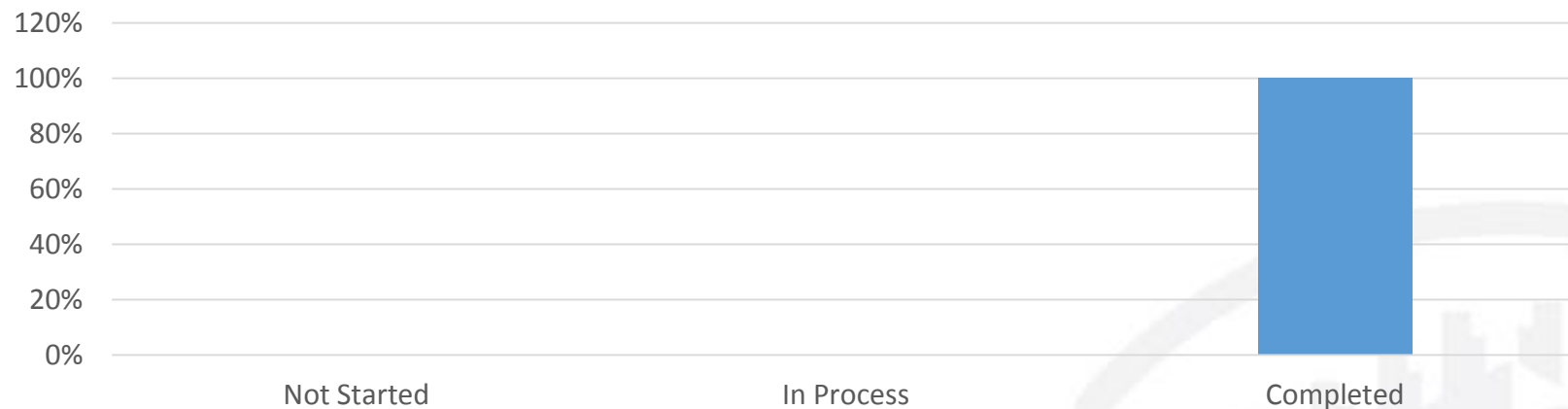
# Audit Services Discussion & Analysis

## Halifax Health Audit & Finance Committee

Presented October 31, 2018

For the period covering August 23, 2018 through October 24, 2018

# Audit Plan: FY 17/18 Plan Status



FY Audit Plan	Internal	CoSource/External	Total Audits
Approved	11	3	14
Added	11	1	11
Removed	3	0	3
Revised Plan Total	19	4	23

See BoardEffect For Audit Plan Detail

# Results: FY 17/18 Audit Projects

Audit Source	Project Name	Issues by Impact Level		
		High	Moderate	Low
IAS	2016 YE Audit Assistance		Completed	
Co-Source	Executive Compensation and Expenses – FY 16	0	0	0
IAS	Meaningful Use Stage 2 – 2016 Validation Audit	0	0	0
IAS	Pharmacy Controls Audit	2	4	1
IAS	Diversion ROC Main Campus	1	0	0
IAS	Halifax Call Network Audit	1	4	1
Co-Source	Network Security Testing	0	2	2
IAS	2017 Interim Audit Assistance		Completed	
IAS	Cash Management Audit	2	4	1
IAS	Timekeeping Controls Audit-Neurosurgery		Completed	
IAS	2017 YE Audit Assistance		Completed	
IAS	Purchase Services Audit - Aramark	0	3	0
Co-Source	Executive Compensation and Expenses – FY 17	0	0	1
IAS	Secure32 & Check Printing Audit	0	0	3
IAS	Charge Master Supply Audit	0	2	0
IAS	Deltona Construction Audit - Applications 1 through 9		Completed	
IAS	Meaningful Use Stage 2 – 2017 Validation Audit	0	0	0
IAS	PCI Location Review	1	2	0
IAS	Medical Fund Account Audit	0	3	0
IAS	Timekeeping Ortho Supply, Cath Lab	2	2	0
IAS	Supply Chain	0	2	0
IAS	Facility Key Controls	0	2	0
IAS	2018 Interim Audit Assistance		Completed	




# FY 19 Annual Audit Hours/Budget

#	Project	Hours	Description
1	Three Timekeeping Audits	680	Audits to assess department timekeeping procedures and Kronos operating system
2	Three Charge Capture Audits	840	Audits to assess department charge capture procedures and operating systems (Meditech Expanse, Athena)
3	Review of Consignment Contracts	200	Consignment items are not tracked and accounted for in Surgical Services
4	Charity Care Review	240	Evaluate charity care procedures for alignment with Halifax objectives and CMS requirements for identifying and reporting
5	Construction – Deltona	40	Review the accuracy of project transactions such as labor, change orders and non-allowable costs
6	Administrative Reimbursement & Expense	8	Analyze reimbursement and expenses for selected executives
7	External Audit Assistance – Interim	170	Assistance on Halifax Health external audit
8	External Audit Assistance – Year End	180	Assistance on Halifax Health external audit
9	IT Penetration testing	20	Testing (i.e. Ethical hacking) of controls to prevent network cyber attacks
10	IT Security	20	Assessment of Information Technology General Controls
11	Risk Assessment	220	Capture a documented perspective of risks to strategic and business objectives that results in audit priorities
12	Executive Management Meetings	50	Audit/Finance, Audit/Finance Prep, Operations Council, Manager's Meeting, C Suite meetings
13	Follow Up	300	Audit findings and associated risks are assessed and tracked for reporting purposes
14	Special Requests	160	Advisory projects requested by leadership that do not constitute formal audit activities
15	Supervision, Review, Initiatives	400	Director performs a beginning to end review (QAR) of audit project documentation
16	Training	120	Required audit training
17	Committee Participation Prep	60	Audit Services Discussion and Analysis Documents
	<b>Under/(Over) Budget</b>	<b>7</b>	Based 2 FTEs and 4160 Available Hours



# FY 19 Audit Projects

Audit Source	Project Name	Issues by Impact Level		
		High	Moderate	Low
Co-Source	Deltona Construction Audit		Fieldwork	
IAS	Charge Capture Audit - ED		Planning	
IAS	Charge Capture Audit - Surgery		Planning	
IAS	2018 YE Audit Assistance		Fieldwork	

Audit Plan	Materials Management - Procurement and Receiving Audit	Issues by Impact Level		
Objective – Test if controls over Materials Management procurement and receiving processes were functioning as Management intended.		 High	 Moderate	 Low
<b>Key Risk(s) –</b> <ul style="list-style-type: none"> <li>• Improperly conducted purchases;</li> <li>• PO processes are not adequately followed; and</li> <li>• Supplies ordered are not properly accounted for by receiving.</li> </ul>		0	2	0
<b>Findings(s)</b>	<ul style="list-style-type: none"> <li>• Management did not update the Purchase Requisitions and American Express Charge Card Issuance and Usage Policies within 3 years and thus policies are not aligned with current operations and the (EMS) template.</li> <li>• Review of 50 purchases disclosed one exception that led to overstating inventory by eight items and a total cost value of 2K dollars.</li> </ul>			
<b>IAS Conclusion</b>	<p>Assessment of procurement and receiving processes disclosed an isolated error concerning quantity of supplies received. Purchasing and credit card policies do not match actual operational controls or Event Management System procedures governing updates and changes to these documents. Correct written policies and procedures and following those procedures mitigates the risk of procurement, receiving and recording issues. Management updated Meditech for actual amount of supplies received and currently updating procedures.</p>			

Audit Plan		Issues by Impact Level		
Timekeeping Audit		High	Moderate	Low
Objective – Tested processes and controls to approve, record and monitor compensation to Team Members under the Kronos timekeeping portion of the payroll cycle.				
<b>Key Risk(s) –</b> <ul style="list-style-type: none"> <li>• Additional pay codes for Departments and accessible to all Timekeepers;</li> <li>• Timekeepers erroneously assign additional pay codes to timecards because they do not understand procedures; and</li> <li>• Recording timecard adjustments without Management reviewing and approving.</li> </ul>		2	2	0
<b>Finding(s)</b> <ul style="list-style-type: none"> <li>• Timekeeper used a fixed schedule created by the Supervisor to improperly perform additional pay code adjustments for that Supervisor.</li> <li>• Unsupported additional call-back, on-call and charge pay adjustments totaling 1,274 hours or \$23 thousand in payroll labor costs.</li> <li>• Team Members improperly reimbursement for mileage totaling \$232 dollars.</li> <li>• Thirty-one (32%) timecards tested disclosed Management did not review and approve Team Member's scans and pre pay adjustments.</li> </ul>				
<b>IAS Conclusion</b> <p>Department Directors did not place the necessary oversight on timekeeping controls. Timekeepers updated Kronos without the proper additional pay documentation. As a result, Team Member hours were improperly recorded in Kronos. Department Timekeepers and approval Managers will be required to take and pass courses on timecard controls. Because of the nature of findings, Leadership requested IAS perform timekeeping audits in FY 2019.</p>				

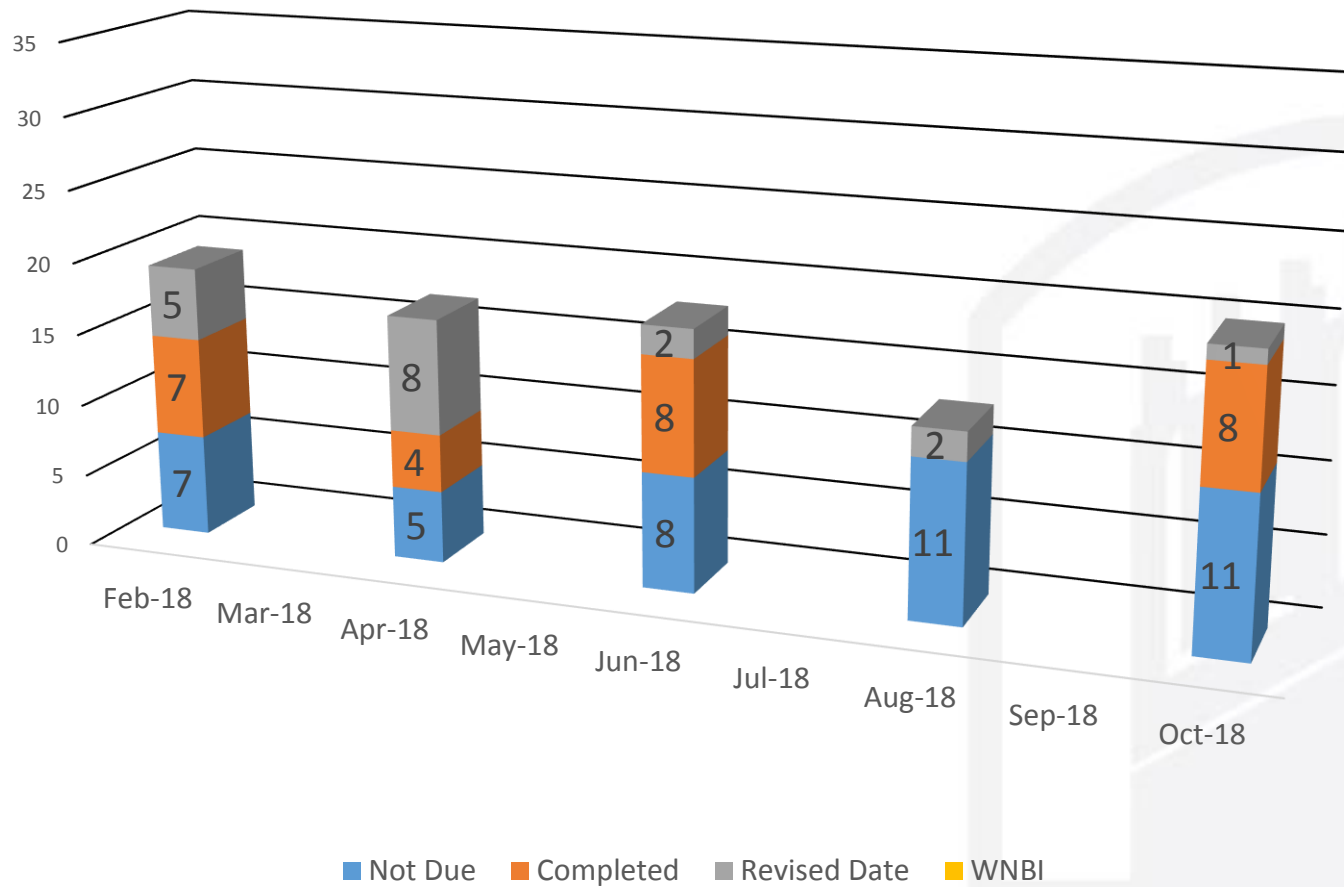


# Summary of Halifax Health Audit Report

Audit Plan		Issues by Impact Level		
Facility Key Control Operations Review		High	Moderate	Low
Objective – Observe and document controls over facility key issuance and usage.				
Key Risk(s) – Facility keys used for securing patient and medical supplies were not adequately safeguarded.		0	1	0
Findings(s)	<ul style="list-style-type: none"> <li>The number of facility keys issued and to whom for the purposes of properly safeguarding Pharmacies' Schedule 2 overflow could not be determined.</li> </ul>			
IAS Conclusion	Security Department's key control application process will track keys assigned to a Team Member and for safeguarding Schedule 2 overflows.			

# 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
<b>PCI Review of Locations</b> 4/17/2018	<ul style="list-style-type: none"> <li>• PCI standards require data retention methods containing Primary Account Number (PAN), cardholder name and expiration date to be unreadable immediately after usage. Further, Sensitive Authentication Data (SAD) cannot be stored or retained after usage.</li> </ul> <p>Cardholder data that included SAD (e.g. three or four digit security code) was documented on paper at six (10%) access points and retained when no longer needed at three. Following locations were not aligned with PCI standards:</p> <ul style="list-style-type: none"> <li>- Hospice Patient Accounting – Document had SAD</li> <li>- EmployMed Port Orange – Document had SAD</li> <li>- HMC Foundation– Document had SAD</li> <li>- Primary Care Daytona</li> <li>- Daytona Area Senior Services</li> <li>- Outpatient and Inpatient Patient Access Specialists</li> </ul>	<ul style="list-style-type: none"> <li>• Cash collection education and procedures will state not to use any form of paper to record cardholder data. Also, Management will explore the use of handhelds for Halifax Inpatient Patient Access Specialists.</li> </ul>	Arvin Lewis-SVP & Chief Revenue Officer	9/3/2018	High
<b>Charge Description Master - Supplies Maintenance Audit</b> 6/15/2018	<p><b>ISSUE 2: CDM Maintenance Procedures Were Missing Controls</b></p> <p>The CDM Maintenance Policy was not aligned with Halifax Health's standards for policies and procedures. Review disclosed the following:</p> <ul style="list-style-type: none"> <li>• CDM Maintenance Policy was last reviewed and approved in 2013 or five years ago. The standard is every three years.</li> <li>• A pricing policy for evaluation of charges and mark-ups for alignment with payors and revenue objectives was missing.</li> <li>• Policy incorrectly documented the charge threshold for supply items to be \$5 dollars. Management's intention is a \$23 dollar threshold.</li> <li>• The timeliness of the process to complete CDM maintenance requests was missing. Guidance is needed to assess the efficiency of the change process.</li> </ul>	<ul style="list-style-type: none"> <li>• The Charge Master Maintenance Policy will be updated on the required Halifax Health procedures template and address operational gaps.</li> </ul>	Steve Mach, Patient Financial Services Director	1/31/2019	Medium

# Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Biomedical Engineering Process Assessment</b> 6/15/2018	<b>ISSUE 1: The IDesk System Does Not Agree With Actual Inventory</b> As of February 28, 2018 Aramark's IDesk application reported 9,530 active pieces of inventory equipment. IAS reviewed inventory and the following issues were identified: <ul style="list-style-type: none"> <li>• Ten (20%) items could not be traced from floor to IDesk or vouched from IDesk to floor.</li> <li>• BE equipment additions and depletions recorded by Accounting did not align with IDesk item file. Six (60%) additions were missing and 10 (100%) depletions were listed as active.</li> <li>• Forms to process purchases, transfers and disposals did not have the required information to notify BE.</li> </ul> As a result, IDesk inventory was not updated timely which impacts Aramark billing and raises the risk that required service checks and ePHI removal were not performed by BE Techs.	<ul style="list-style-type: none"> <li>• Management will work with BE Lead to update item files for active and inactive equipment.</li> <li>• BE Lead will develop department rounds that includes working with Team Members to be observant of items that need to be activated or deactivated from the data base.</li> <li>• The Equipment Acceptance, Transfer and Disposal Forms will be updated to include BE with other departments responsible for managing inventory.</li> </ul>	Gary Meredith, Director of Operations	12/29/2018	Medium
<b>Biomedical Engineering Process Assessment</b> 6/15/2018	<b>ISSUE 2: Billing Is Not Aligned With Terms &amp; Business Objectives Not Achieved</b> <ul style="list-style-type: none"> <li>• Aramark's December and January base fee billings were not aligned with Amendment A-1.</li> <li>• AP audits have disclosed incorrect pass-through bills for 3rd party equipment services.</li> <li>• Purchase service objectives to sunset 3rd party agreements and service equipment in-house were not obtained at the time of the audit.</li> </ul>	<ul style="list-style-type: none"> <li>• Director will work with Aramark to assess BE responsibilities and objectives in order to determine the correct service arrangement. Findings will be reported to SVP of Operations.</li> </ul>	Gary Meredith, Director of Operations	12/29/2018	Medium
<b>Biomedical Engineering Process Assessment</b> 6/15/2018	<b>ISSUE 3: Work Orders Are Poorly Documented in IDesk</b> BE Technicians did not clearly document their management and service of equipment. Service end dates and equipment problem and resolution within the Aramark work order were not aligned with actual work performed.	<ul style="list-style-type: none"> <li>• Technicians will be trained on Aramark's work order policies and procedures.</li> </ul> Gary Meredith, Director of Operations	Gary Meredith, Director of Operations	12/29/2018	Medium

# Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Medical Staff Fund &amp; Expense Controls Audit</b> 8/221/8	<b>ISSUE 1:</b> Control Procedures Have Not Been Developed There were no documented procedures and thus guidance was missing in key areas, including: <ul style="list-style-type: none"> <li>• Short-Term Investment</li> <li>• Cash</li> <li>• Credit Card</li> <li>• Governance (MEC)</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and procedures for investments, cash handling and expenses have been developed and approved by the Medical Executive Committee.</li> </ul>	Dr. Margaret Crossman, Chief Medical Officer  Eve Ann Magoulas, Medical Staff Coordinator	11/30/18	Medium
<b>Timekeeping Audit</b> 10/19/2018	<b>ISSUE 1:</b> Unsupported On-Call & Call Back Pay Recorded in Kronos <ul style="list-style-type: none"> <li>• Timekeeper used the Supervisor's fixed schedule to improperly enter 376 hours of on-call pay adjustments for that Supervisor. (Orthopedic Supply)</li> <li>• Timekeepers entered 711 hours of call-back pay without approved Payroll Adjustment Forms. This included a Supervisor not eligible for call back. (Orthopedic Supply, Main OR, Cath Lab)</li> <li>• Timekeeper entered 8 hours of on-call pay without approved Payroll Adjustment Forms. (Cath Lab)</li> </ul>	<ul style="list-style-type: none"> <li>• The Ortho Supply Supervisor has been terminated.</li> <li>• Accounting, Payroll and Human Resource Leaders are developing Net Learning programs that include required payroll documentation and monitoring controls for proper payroll processes and attestations from Approvers and Timekeepers. (LT, SF)</li> </ul>	Lisa Tyler, Controller  Serena Fisher, Manager, Organization & Talent Development	3/29/2019	High
<b>Timekeeping Audit</b> 10/19/2018	<b>ISSUE 2:</b> Unsupported Charge Pay Recorded in Kronos <ul style="list-style-type: none"> <li>• Timekeeper used the Supervisor's prepared and fixed charge pay schedule, to improperly perform pre payroll adjustments for Techs. Review disclosed 20 hours of adjustments. (Orthopedic Supply)</li> <li>• Timekeepers performed additional charge pay adjustments, totaling 159 hours, without approved Payroll Adjustment Forms. (Cath Lab, Main OR, Emergency Services)</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting, Payroll and Human Resource Leaders are developing Net Learning programs that include required payroll documentation and monitoring controls for proper payroll processes and attestations from Approvers and Timekeepers. (LT, SF)</li> </ul>	Lisa Tyler, Controller  Serena Fisher, Manager, Organization & Talent Development	3/29/2019	High

# Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Timekeeping Audit</b> 10/19/2018	<b>ISSUE 3:</b> Timecards Were Not Approved by Department Management • Thirty-one (32%) timecards tested disclosed Management did not review and approve Team Member's hours worked and pre pay adjustments performed by Timekeepers. (Orthopedic Supply, Cath Lab, Main OR, Emergency Services, Phlebotomy Lab) • Inquiry and discussion with Department Managers disclosed Kronos report functionality was not being used. Kronos has multiple stock and ad hoc report functions to efficiently analyze unusual scans or pre pay adjustments prior to approving their Department labor costs. (Orthopedic Supply, Cath Lab, Main OR, Emergency Services, Phlebotomy Lab)	• Accounting and Payroll are now utilizing the Kronos Management Approval report to identify assigned Managers who do not approve Team Member timecards and adjustments. Reviewers who fail to review/approve timecards receive a warning from the Controller. Reviewers who continually fail to review timecards are being identified for performance improvement planning. (LT) • Accounting, Payroll and Human Resource Leaders are developing Net Learning programs that include teaching Managers Kronos report functionality to effectively identify outliers, trends and issues. (LT, SF)	Lisa Tyler, Controller  Serena Fisher, Manager, Organization & Talent Development	3/29/2019	Medium
<b>Timekeeping Audit</b> 10/19/2018	<b>ISSUE 4:</b> Mileage Reimbursement Is Not Supported • Travel documentation of the business purpose (dates, location, purpose) was missing for three Team Member's reimbursement totaling \$232. (Orthopedic Supply, Cath Lab)	• Accounting, Payroll and Human Resource Leaders are developing Net Learning programs that include required travel reimbursement documentation and approval for proper payroll processes and attestations from Approvers and Timekeepers. (LT, SF)	Lisa Tyler, Controller  Serena Fisher, Manager, Organization & Talent Development	3/29/2019	Medium

# Audit Action Plans - Open

Audit	Findings	Actions Management Will Take	Action Plan Owner	Action Plan Due Date*	Risk Rank
<b>Materials Management - Procurement and Receiving Audit</b> 10/16/2018	<b>ISSUE 2:</b> Purchase Requisition and Credit Card Policies Were Not Up to Date • Management did not update the Purchase Requisitions and American Express Charge Card Issuance and Usage Policies within 3 years and thus policies are not aligned with current operations and the EMS template. • Credit card usage policy list a terminated employee as the designee signature.	• Purchase Requisitions Policy is aligned with EMS policy requirements. (AC) • The American Express Charge Card policy will be updated to reflect the current designee signatory and formatted on the EMS template. (EP)	Anthony Carillo, SCS Purchasing Manager  Eric Peburn, Executive Vice President and Chief Financial Officer	2/28/2019	<b>Medium</b>
<b>Facility Key Control Operations Review</b> 10/17/2018	• The number of cabinet keys issued and to whom for the purposes of properly safeguarding Pharmacies' Schedule 2 overflow could not be determined.	• For the purposes of recording the number of keys assigned to a Team Member, new cabinet keys for safeguarding Schedule 2 overflows will be issued and processed through Security Department's key control application.	Dominick Damiani, Pharmacy Director	12/24/2018	<b>Medium</b>

## Recommended Committee Action

Internal Audit recommends the following for Committee's approval:

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





Smart decisions. Lasting value.™

# Penetration Testing Overview

Presented to: Halifax Health

October 2018

**Presented By:**

Jared Hamilton  
Healthcare Cybersecurity Lead  
Sr. Manager

Ryan Reynolds  
Penetration Testing Solution Leader  
Manager

# Engagement Team Leaders

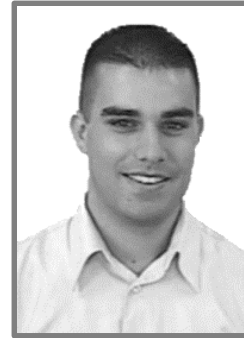
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**Jared Hamilton**

CISSP, CCSK, CCSFP, MCSE:S

Senior Manager  
Healthcare Cybersecurity Leader



**Ryan Reynolds**

CISSP, OSCP

Senior Manager  
Penetration Testing Solution Leader

# What Makes Crowe Different

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We believe that Crowe provides a compelling value proposition for the following primary reasons:



## **Our Team.**

Our team includes over 200 professionals who spend 100% of their time delivering Cybersecurity and IT compliance services and solutions to our clients.



## **Deep Healthcare Cybersecurity Specialization.**

Crowe's specialization on Cybersecurity is built from direct, deep, and practical experience working in healthcare client environments.



## **Healthcare Experience.**

We know healthcare. Crowe's Healthcare Cybersecurity practice, provides Cybersecurity services to a **large number** of providers, payers and business associates every year.



# Our Team



**Dedicated National Practice.** Crowe's Cybersecurity team consists of over 200 professionals in seven key office locations. This allows our team to specialize in highly technical assessments, similar services to the ones requested for over 300 companies on an annual basis. The team that would be constructed to assist you includes professionals who have functioned as CISOs, served as security administrators, and managed internal risk assessment functions



**Certified Professionals.** A large majority of our professionals, including all of our Managers and above, carry certifications, including Certified Information System Security Professional (CISSP), HealthCare Information Security and Privacy Practitioner (HCISPP), Offensive Security Certified Professional (OSCP), Offensive Security Certified Professional/Expert (OSCP/E), Certified Ethical Hacker (CEH), GIAC Penetration Tester (GPEN), GIAC Web Application Penetration Tester (GWAPT) and Certified in Risk and Information Systems Control (CRISC).



**Innovative Tools.** Technical assessments use a variety of publicly available programs and licensed commercial tools that have been integrated into an array of testing systems. Additionally, a continuous development and review process is facilitated to ensure that clients are receiving the best of breed tool suites; whether commercial, in-house developed, or publicly available. A sample of the tools that Crowe has contributed to the Information Security community include Cracklord (2015) – Presented at Blackhat, RavenHID (2014) - Presented at Derbycon and Share-Enum (2013) – Presented at Defcon and SmuggleBus (2016) – Presented at BlackHat.







**Active in the Cybersecurity Community.** Crowe has invested a significant amount of research and development time into becoming a forefront industry leader in Information Security. Our technology risk professionals have in-depth knowledge not only of the industry standards for Information Security, but also the practical implementation. We are active in sharing our knowledge at some of that nation's top IT security conferences including DefCon, Blackhat, Bsides, Derbycon and the National Collegiate Cyber Defense Competition.




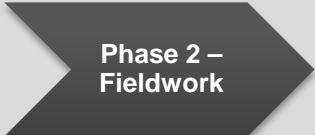
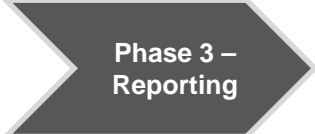
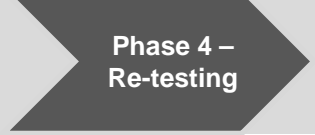
# Scope and Approach

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Crowe's proposed approach to assist you in addressing its cybersecurity risks is aligned with the following projects:

-  **External Penetration Test.** External Penetration Testing emulates the tools and techniques used by “hackers” to assess your Internet facing systems. This assessment is performed from one of Crowe's Cybersecurity labs and is conducted from the perspective of an anonymous outside hacker with limited information about your systems. Crowe leverages a variety of techniques, both automated and manual, to perform a comprehensive assessment of all potential vulnerabilities.
-  **Wireless Penetration Test.** Wireless Penetration Testing is focused on assessing wireless networks from the perspective of an external network intrusion. Crowe's team attempts to circumvent encryption and authentication protocols to identify and subsequently compromise the wireless infrastructure as a path into the internal network.
-  **Physical Security and Social Engineering.** Social engineering testing will employ the use of various tests to attempt to gauge the level of security awareness of your employees from both remote and onsite perspectives.
  - Remote testing includes telephone calls to employees or help desk
  - Onsite Testing encompasses focuses on obtaining physical access to the internal network without being identified and detained.
-  **Internal Penetration Test.** Internal Penetration Testing identifies specific vulnerabilities within the internal network environment that potentially expose data assets to unauthorized access. Crowe's assessment methodology targets multiple levels of layered controls to provide a comprehensive look into your overall security posture. Various attack perspectives will be exhausted in efforts to identify any and all ways an attacker with physical network access can escalate to that of a user, local admin, or domain administrator, as well access other local applications or databases on the internal network.

# Timing and Deliverables

Phase	Location & Timing	Tasks	Crowe Differentiator	Deliverables
 Phase 1 – Project Planning & Kickoff	<ul style="list-style-type: none"> <li>Remote</li> <li>2 Weeks</li> </ul>	<b>Planning</b> <ul style="list-style-type: none"> <li>Submit information requests</li> <li>Define detailed timeline</li> <li>Confirm rules of engagement</li> <li>Identify key stakeholders and communication expectations</li> </ul>	<ul style="list-style-type: none"> <li>Planned</li> <li>Organized</li> <li>Expectations clear</li> <li>Reduction in time</li> </ul>	<ul style="list-style-type: none"> <li>Documented planning details</li> <li>Get out of jail free card</li> <li>Vendor approvals</li> </ul>
 Phase 2 – Fieldwork	<ul style="list-style-type: none"> <li>Remote and On-site</li> <li>2.5 Weeks</li> </ul>	<b>Remote Fieldwork</b> <ul style="list-style-type: none"> <li>External network penetration testing</li> <li>Unauthenticated web app reviews of patient portal and main website</li> <li>Telephone social engineering</li> </ul> <b>On-site Fieldwork</b> <ul style="list-style-type: none"> <li>Wireless penetration testing</li> <li>Physical security and on-site social engineering</li> <li>Internal network penetrating testing</li> </ul>	<ul style="list-style-type: none"> <li>Specialized hacking team</li> <li>Experience in performing over 300 assessments on an annual basis</li> <li>Deep healthcare experience</li> </ul>	<b>Fieldwork Communications</b> <ul style="list-style-type: none"> <li>Immediate notification of critical issues</li> <li>Daily status updates</li> <li>End of week summaries</li> </ul> <b>Fieldwork Exit Meeting</b> <ul style="list-style-type: none"> <li>Network breach illustration</li> <li>Details of draft issues</li> <li>Next steps &amp; timing</li> </ul>
 Phase 3 – Reporting	<ul style="list-style-type: none"> <li>Remote</li> <li>3 Weeks</li> </ul>	<b>Reporting</b> <ul style="list-style-type: none"> <li>Executive summary</li> <li>Analyzed risk levels</li> <li>Network break illustrations</li> <li>Detailed technical findings</li> <li>Management responses</li> </ul>	<ul style="list-style-type: none"> <li>Experience designing IT security controls</li> <li>Ability to related detailed technical issues to executives</li> </ul>	<b>External Pen Test Report</b> <ul style="list-style-type: none"> <li>External Network</li> <li>Web Apps</li> <li>Remote Social Engineering</li> </ul> <b>Internal Pen Test Report</b> <ul style="list-style-type: none"> <li>Wireless</li> <li>On-site Social Engineering</li> <li>Internal Network</li> </ul>
 Phase 4 – Re-testing	<ul style="list-style-type: none"> <li>Remote and On-site</li> <li>1 Week</li> </ul>	<ul style="list-style-type: none"> <li>Retesting of technical issues 90 days after report issued</li> </ul>	<ul style="list-style-type: none"> <li>Consistent engagement team</li> <li>Experience implementing IT security controls</li> </ul>	<ul style="list-style-type: none"> <li>Updated Reports</li> </ul>

# Penetration Testing Overview and Approach

Crowe has created a methodology incorporating critical aspects from both the Open Source Security Testing Methodology Manual (OSSTMM) as well as Open Web Application Security Project (OWASP). Crowe's Penetration Assessments use a structured process to identify and risk rank vulnerabilities in your organization's security posture.

## 1.) Discovery Stage

- Crowe uses various tools and publicly available resources to gather information, or footprint, your infrastructure. We then perform initial discovery scans to confirm systems along with network services and applications that will be in-scope for the assessment.

## 2.) Planning Stage

- After performing initial discovery, Crowe will work with you to develop a test plan. This plan will outline the testing procedures for identified systems within the infrastructure. We also incorporate a process to identify objectives for the engagement, setting goals around specific systems and/or types of data.

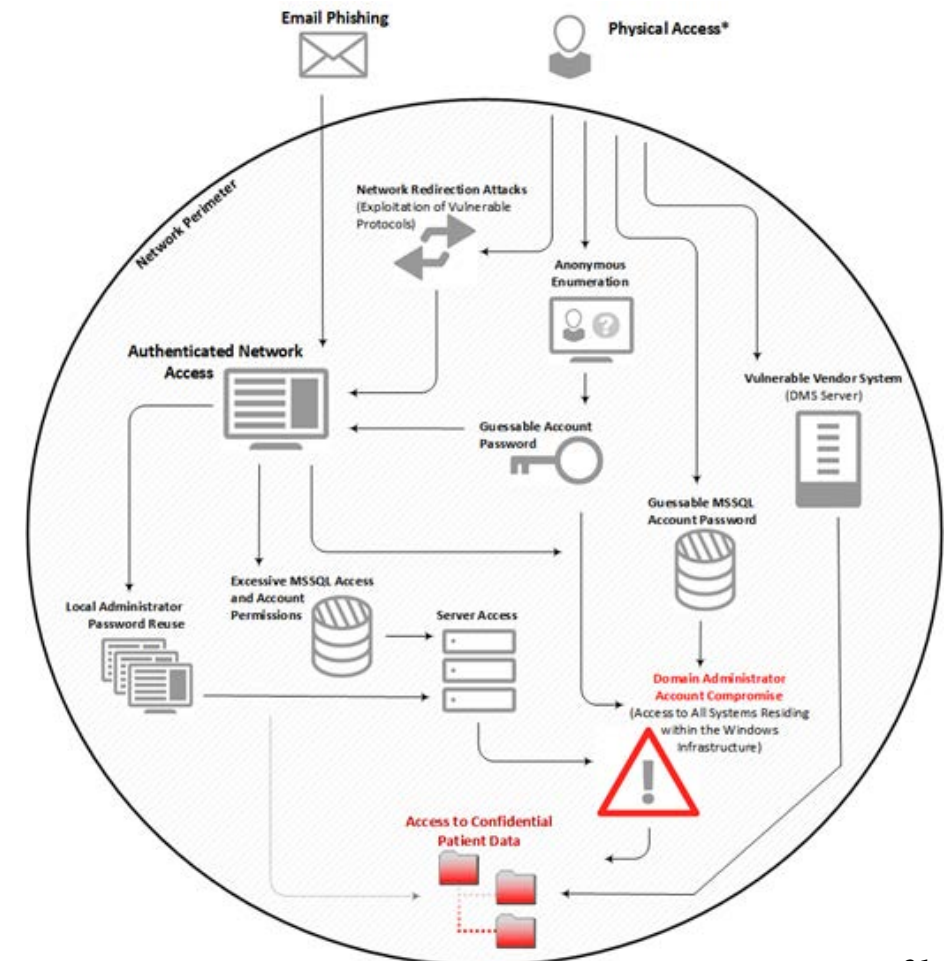
## 3.) Testing Stage

- Crowe will execute the developed test plan in order to assess the configuration and controls associated with each system. Crowe will ultimately attempt to penetrate the target system's security. We do this using various tools and databases of known vulnerabilities, both through manual and automated processes.

## 4.) Layered Security Analysis

- Crowe's goal is to provide an analysis of the various layers of security implemented within client environments. Crowe aggregates information that may seem inconspicuous on its own; however, when linked together can pose **real risk to the business**.

Crowe conducts layered analysis of vulnerabilities to help an organization understand how these issues can be connected to ultimately **impact the organization**.



# External Penetration Assessment – Approach and Scope Details

## Approach

Crowe's external penetration testing provides a unique perspective into the security of an organization and peace of mind that the Internet-facing presence of an organization has been thoroughly tested for its ability to detect, respond and thwart an external hacking attempt.

Crowe's approach is customized for each client and utilizes a structured and iterative process to enumerate hosts for evaluation. Then each host and its services is subsequently reviewed. This process consists of the following stages:



**Discovery Stage:** Crowe uses various tools and publicly available resources to gather information, or footprint, the external network. Crowe then performs initial discovery scans to confirm externally facing systems along with services and applications that will be in-scope for the assessment.



**Collaboration Stage:** After performing initial footprinting and discovery scans on the external infrastructure, Crowe will work with you to develop a strategic test plan. This plan will serve to prioritize and substantively test the controls associated with each system to ensure optimum return on investment for the assessment.



**Testing Stage:** Next, Crowe will execute the developed test plan in order to investigate the configuration and controls associated with each service and application as outlined to the right. This is performed using various tools and databases of known vulnerabilities, both through manual and automated processes.



**Layered Security Analysis:** Crowe's goal is to provide an in-depth analysis of the various layers of security implemented within your environments. By correlating knowledge gained from the Discovery Stage, Crowe aggregates information which on an individual perspective may seem inconspicuous; however when linked together can pose real risk to healthcare operations or patient care.

## Scope

### Information Gathering and Footprinting

- Internet Footprint Analysis
- System and Service Identification and Confirmation

### Access Management

- Web Server Security (IIS, Apache)
- DNS Security
- Email Server Configuration
- Traffic Encryption
- Anonymous Access to Sensitive Data (FTP, Citrix, Database Services)
- Denial of Service Testing (upon request)

### Password Management

- Strong Password Analysis
- Brute Force Attacks (upon request)

### Patch Management

- Vulnerability Scanning
- False Positive Removal

### Secure Application Development (Unauthenticated Testing)

- Web Application/Server Traversal
- Web Application Input Validation (SQL Injection, Cross-Site Scripting, etc.)
- Authentication Controls
- Information Leaks
- Client-Side Controls



# Web App Penetration Assessment – Approach and Scope Details

## Approach

Crowe's Application Penetration Assessment uses a structured process of testing the application from the perspective of all potential attack surfaces. This includes not only testing from an anonymous perspective (attacker over the Internet), but also ensuring that controls within the application (authenticated perspective) are appropriately secured. For example, restricting administrator capabilities from user account roles is an important security control that is difficult to identify without extremely robust logging and monitoring capabilities.

### Application Mapping and Analysis

- Automated and Manual Site Crawling
- Application Component Technology Identification
- Server-Side Functionality
- Attack Surface Assessment

### Client Side Controls

- Data Tampering
- Form Input Controls
- Browser Extension Input Controls

## Scope

### Authentication Security

- Account Enumeration
- Account Maintenance
- Authentication Design and Logic
- Transmission Encryption

### Account Session Management

- Token Management and Security
- Encryption Controls

### Authorization and Access Controls

- Privilege Escalation
- Business Logic Controls

### Input Sanitation and Validation

- Data Input Attack Surface Analysis
- Injection Attacks (SQL, LDAP, XML, etc.)
- Cross-Site Scripting
- Cross-Site Request Forgery

### Logic Flaws

- Application Design Analysis

### Server Configuration Management

- Web Server Configuration and Vulnerability Assessment

# Internal Penetration Assessment – Approach and Scope Details

## Approach

Internal Penetration Testing uses a structured and iterative process of assessing the network architecture, system configurations, processes, and procedures that affect the ability to protect your assets from unauthorized access. Our testing includes:

- Identification of primary and secondary penetration goals
- Network scanning of in-scope networks
- Enumeration of potential system and operational vulnerabilities
- Exploitation of vulnerabilities
- Impact assessment of noted vulnerabilities to focus on real operational risk(s)
- Findings and observations reporting with detailed remediation recommendations

At each stage of the testing, we log our efforts and keep a detailed accounting of the results of our assessment activities. Additionally, throughout the penetration test, we maintain close communications with your team to minimize the potential for negative impact to your operations and to report any significant gaps identified that may require your immediate attention.

## Scope

### Physical Network Management

- Network Traffic Analysis
- Man-in-the-Middle Prevention
- Voice-Data Network Segmentation

### Access Management

- User and Service Account Permissions
- Anonymous Access to Sensitive Data (FTP, Citrix, Database Services)
- Information Leaks including Account Enumeration
- Network Share Permissions
- DNS and Email Server Security

### Password Management

- Active Directory Password Security
- Password Encryption and Storage
- Brute Force Password Attacks
- Database Password Security
- Remote Desktop Management Configuration

### Patch Management

- Vulnerability Scanning and Confirmation on all In-Scope Systems
- False Positive Removal
- Denial of Service Testing (upon request)

# Security Awareness – Approach and Scope Details

## Approach

Social Engineering continues to be a major vector for attacker to obtain initial access into computer networks. Crowe's tools and methodology closely resembles that of real world tradecraft and attacks.

Crowe's approach is customized for each client with Crowe conducting open source research to use location, company or personal details to customize ploys and make them more convincing.



**Collaboration Stage:** Crowe works with your staff to sample employees for security awareness testing. After sampling, Crowe obtains your final approval on the testing sample. At the same time, Crowe develops ploys and tests them with your staff ahead of time. This gives an opportunity to approve the ploys and make any internal notifications necessary.



**Testing Stage:** After construction and approval of the websites, emails and ploys, Crowe delivers the email ploys to your employees. Through embedded tags, Crowe then tracks clicks, credentials, downloads and executions. Crowe will attempt to demonstrate impact by attempting to move laterally within the network and access additional information.



**Reporting:** Crowe details the number of emails sent and the number of people that fall victim to the ploys. Crowe breaks these out into the phases in which individuals fall victim – click, credentials, download, execution of payload.

## Scope

### Security Awareness Assessment

- Attempt to persuade users to relinquish sensitive information using telephone calls.
- Attempt to obtain sensitive information through persuading users to execute malicious programs sent via email.
- Attempt to gain further access to the network and sensitive

**Example Security Awareness Scope – Crowe attempted to send emails to employees that contained a link to a Trojan horse (Trojan) program or website. The email was designed to look like it came from a trusted employee or a legitimate external source. The emails sent were as follows:**

- Web Activity – Ninety-nine employees were an email was sent notifying the employee of malicious websites that were originating from their workstation, with a document purported to be the list of websites that were visited. The email appeared to have been sent by human resources personnel.
- Holiday Bonus – Ninety-seven employees were sent email containing a link to a Trojan program purported to be a holiday bonus for the employee to verify. The email appeared to have been sent by human resources personnel.

# Estimated Fees

Service	Scope	Fees
External Penetration Assessment	Technical Vulnerability Assessment	\$14,000
	Telephone Social Engineering	\$2,000
Internal Penetration Assessment	Technical Vulnerability Assessment	\$28,000
	Wireless Penetration Testing	\$3,000
	Physical Security and On-site Social	\$2,000
	2 Year Agreement Discount	(\$9,000)
	2018 Fees	\$40,000
	2019 Fees	\$40,000
Total Professional Fees		\$80,000

- Up to 20 hours of retesting consulting time is included in the above fees, to be performed 90 days after fieldwork.
- Travel and out-of-pocket expenses are not included in above table and will be billed at actual cost.
- Fees in above table are for the full in-scope assessment, per year.
- Fees are based on a two-year commitment from Halifax.
- The pricing in this proposal will remain valid for a period of 30 days from the date of this proposal.

# For Questions, please contact:



**Jared Hamilton**

317.706.2724

[jared.hamilton@crowe.com](mailto:jared.hamilton@crowe.com)

**Ryan Reynolds**

630.574.1623

[piotr.marszalik@crowe.com](mailto:piotr.marszalik@crowe.com)



# Cyber Security Approach Overview

SECURITY ASSESSMENT  
HALIFAX MEDICAL CENTER

JUNE 2018

**NGRM** Adaptive Security

**PRESIDIO®**

Future. Built.

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# Problem Statement

```
selection at the end -add
obj_ob.select= 1
obj_ob.select=1
context.scene.objects.active
("Selected" + str(obj_ob))
error_ob.select = 0
= bpy.context.selected_object
data.objects[one.name].select
print("please select exactly 1")
--- OPERATOR CLASSES ---
```

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# PROBLEM STATEMENT

- Halifax Medical is looking for Ethical Hacking and security testing in key areas:
- External and internal vulnerability and penetration testing
  - Web servers, mail servers, and other publicly available servers and services
  - Up to 5000 internal systems based on NAC IP counts
    - Include validation of security of public network jacks
  - Vishing of small subset of employees
  - Wireless testing at key sites
- Presidio can **optionally** add:
  - Detailed testing of key web applications (additional sizing required)
    - Provides comprehensive view of application security and vulnerabilities
    - Authenticated testing provides highest level of visibility
  - ‘Red Team’ combined arms (or black box) testing
  - Remediation testing to validate vulnerabilities have been mitigated successfully



# About Presidio Cyber

```
selection at the end -add
obj_ob.select= 1
obj_ob.select=1
context.scene.objects.active
("Selected" + str(obj_ob))
obj_ob.select = 0
bpy.context.selected_objects
data.objects[one.name].select
print("please select exactly 1")
--- OPERATOR CLASSES ---
```

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# WHY PRESIDIO CYBER – EDUCATION, EXPERIENCE, EXPERTISE

## Presidio-wide Practice

- Broad exposure
- Wide range of clients
- National talent

## Broad and integrated services

- Technical Testing
- Governance, Risk, and Compliance
- Technology and Security Architecture

## Over a decade as a team

- Established processes
- Mature methodologies
- 100s of assessments

## Risk and Business Focus

- Vendor agnostic
- Prioritized risks

# Education and Certification

## Information Security



## Technical Assessment



## Infrastructure Security



## EXPERIENCE AND LEADERSHIP



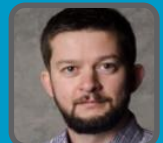
Joe Leonard – Chief Information Security Officer  
CISM, CISA, CRISC, CEH, CISSP, CCSK



Charlie Winckless – Director of Solution Architects, Cyber Security  
25 years experience  
CCIE Emeritus #7331, CISSP



Ryan Pinga – Director, Security Consulting  
17 Years experience  
CCIE #25818, CCDE #2014::51, VCIX-NV, PCI-QSA, CISSP



David Manning – Director, Security Consulting  
18 Years experience  
OSCP, CISSP, PCI-QSA, CISA



Paul Kinder - Senior Program Manager  
21 years experience  
CRISC, CISM, PMP, ITILv3

# EXPERIENCE ACROSS VERTICALS AND GEOGRAPHY

Industry Vertical	July 2015 – June 2016	July 2016-June 2017	July 2017-June 2018
Education	2	14	15
Media, Communications, and Entertainment	1	5	6
Financial	15	24	27
State and Local	5	4	8
Healthcare	17	19	15
Manufacturing and Transportation	12	23	20
Professional Services	11	23	15
Retail	2	2	2
Telecom	1	0	0
Energy and Utilities	3	6	5
Other	11	11	4

# Broad expertise

## NG RM Adaptive Security



### Adaptive Strategy

- Security Strategy
- Compliance & Gap Analysis
  - HIPAA
  - PCI
  - NIST 800-171
  - FISMA
- Policy and Procedures
- Security Awareness Training
- NIST Cyber Security Framework
- NIST 800-53
- ISO 27001
- CIS 20 Controls
- GDPR



### Adaptive Architecture

- Architecture Consulting
  - Security Architecture
    - Cloud and IoT
  - Firewall Analysis
  - Device Hardening
  - Segmentation Workshop
  - Active Directory Analysis
  - PKI Architecture Assessment
- Architecture Design
- Architecture Implementation
- NERC-CIP



### Adaptive Testing

- Baseline Assessments
- Penetration Testing
- Red Team
- Red/Blue (Purple)
- Application Security Assessment
- Mobile Application Assessment
- On-Demand and Quarterly Testing
- Social Engineering
- Security Analysis
- M&A Testing



### Adaptive SecOps

- Engagement Management
- Reporting
- Managed Security Services
- Remediation Services
- Security Controls Implementation
- Staff Augmentation
- Incident Response



# Resolution Approach

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## PROPOSED SOLUTION

- Perform 'white box' security assessment
- Perform external penetration testing and OSINT on Halifax IP addresses
- Perform authenticated internal vulnerability testing
- Perform internal penetration testing (separate data set)
- Perform wireless testing at 3 hospitals and 4 other sites
  - Wireless testing will be combined with internal network jack security validation
- Vishing of up to 10 employees



# PROPOSED SERVICES

## Baseline Assessment

Services	Assumptions
External Vulnerability Assessment	<ul style="list-style-type: none"><li>• Up to 4 external networks</li><li>• Up to 200 live external hosts</li></ul>
Internal Vulnerability Assessment	<ul style="list-style-type: none"><li>• Up to 5000 hosts</li><li>• Internal network jack validation included with wireless</li></ul>
Wireless assessment	<ul style="list-style-type: none"><li>• 4 Physical sites<ul style="list-style-type: none"><li>• 2 larger sites, 2 small sites</li></ul></li><li>• All sites will be visited in one trip</li><li>• All sites will be within short driving distance</li></ul>
Penetration testing	<ul style="list-style-type: none"><li>• External and internal penetration testing</li></ul>
Social Engineering Assessment	<ul style="list-style-type: none"><li>• Vishing only</li><li>• Up to 10 employees</li></ul>

## ASSUMPTIONS AND TRAVEL

- Presidio will perform three trips to Florida as part of this engagement
  - 2 trips for all wireless sites and limited internal validation
    - All wireless sites are within less than 1 hours driving of each other
  - 1 trip for final deliverable presentation
- All other services will be performed remotely

Deliverable	Description	Format
<b>Executive Summary (GENERAL)</b>	<p>Overview of the assessment, including approach, methodology, and summary of findings. Format to be appropriate for non-technical, executive audience.</p> <p>Report will include all phases and tasks.</p>	PPT/PDF
<b>Vulnerability Assessment Report</b>	Report showing all findings from the project. All vulnerabilities will be listed with a risk score based on NIST 800-30, references, and a suggested remediation.	Word
<b>Vulnerability Registers (INTERNAL AND EXTERNAL VULN ONLY)</b>	Sortable list of discovered vulnerabilities from vulnerability assessment phases	Excel

## RESULTS, VALUE-ADD & PRICING?

- Assessment of all key technical elements described by Halifax
- Optional additional elements
- Approximate price: \$40,000
  - **+/- 20%**
  - Client specific SOW will be drafted following a scoping review sessions with Presidio Solution Architects

# Additional Supporting Slides

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# BASELINE TESTING

Internal Assessment
External Assessment
Wireless Infrastructure
Penetration Testing
Physical Security
Governance
Remote Access
Web Applications
Device Hardening
Social Engineering

- Yearly Testing
- Quarterly Testing and remediation testing
- Monthly Testing
- On-demand testing
- Compliance - HIPAA, PCI, GDPR, FISMA, NIST CUI
- Penetration Testing
- NIST 800-53 R4, NIST 800-171, CIS 20
- Validation of new controls





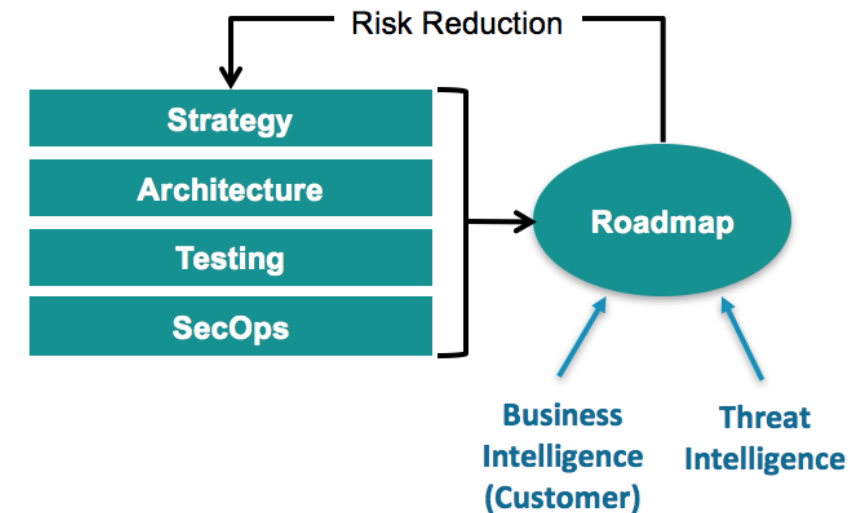
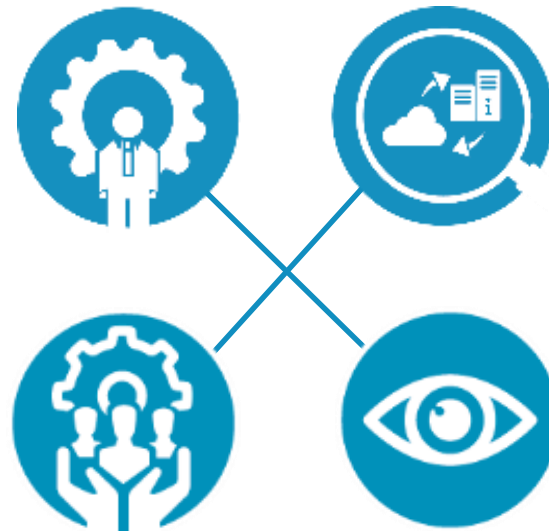
# Summary

## NG RM Adaptive Security

Presidio Cyber Security Solutions provides an adaptive security portfolio to address today's changing cyber threat landscape. By providing cyber risk strategy, architecture, testing and security operations, Presidio is uniquely positioned to provide a full life-cycle security approach for our customers.

### Cyber Security Solutions:

- I. Strategy
- II. Architecture
- III. Testing
- IV. SecOps



# Q&A / Next Steps

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# Halifax Health

## Summary Financial Narrative

### For the year ended September 30, 2018

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

Financial Indicator	YTD Actual FY 18	YTD Budget FY 18	YTD Actual vs. Budget	S&P "A"	YTD Actual FY 18 vs. S&P "A"
Total Margin	2.3%	3.2%	Unfavorable	4.1%	Unfavorable
Operating Margin	0.6%	2.4%	Unfavorable	1.4%	Unfavorable
EBIDA Margin	10.2%	10.4%	Unfavorable	11.7%	Unfavorable
Operating EBIDA Margin	8.7%	9.6%	Unfavorable	8.0%	Favorable
Adjusted Operating EBIDA Margin *	8.3%	9.4%	Unfavorable	N/A	N/A
Days Cash on Hand	302	258	Favorable	241	Favorable
Cash to Debt	97.1%	79.6%	Favorable	221.6%	Unfavorable
Debt to Capitalization	59.0%	59.6%	Favorable	26.4%	Unfavorable
OG MADS Coverage **	1.78	2.44	Unfavorable	3.80	Unfavorable
OG Debt to Capitalization **	58.4%	52.9%	Unfavorable	26.4%	Unfavorable

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

\*\* - Debt and debt service requirements include amounts for Obligated Group balloon indebtedness issued under the MTI on June 1, 2018 (Series 2018A Bonds) in the par amount of \$85 million. The Series 2018A Bonds were not included in the budgeted amount. Non-obligated group debt was budgeted that has not been incurred.

#### **Halifax Health Medical Center**

##### *Statistical Summary--*

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

##### *Financial Summary --*

- Net patient service revenue for the fiscal year-to-date is 2.7% less than budget.
- Total operating expenses for the fiscal year-to-date approximate the budgeted amount.
- Loss from operations for the fiscal year-to-date of \$2.3 million compares unfavorably to budget by \$11.1 million.
- Nonoperating gains/losses for the fiscal year-to-date of \$4.3 million, primarily consisting of investment income/losses, compares favorably to the budgeted amount by \$2.2 million.
- The increase in net position, before other changes in net position, for the fiscal year-to-date of \$2.0 million compares unfavorably to budget by \$8.9 million.

#### **Halifax Health Hospice**

##### *Statistical Summary --*

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

##### *Financial Summary --*

- Net patient service revenue for the fiscal year-to-date is 1.2% greater than budget.
- Income from operations for the fiscal year-to-date of \$1.1 million compares favorably to budget by \$475,000.
- The increase in net position, before other changes in net position, for the fiscal year-to-date of \$6.3 million compares favorably to budget by \$2.8 million.

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

# Halifax Health Statistical Summary

Month Ended September 30					Twelve Months Ended September 30			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>		<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
				<b><u>Inpatient Activity</u></b>				
1,435	1,398	1,591	-12.1%	HHMC Adult/Ped Admissions	18,753	18,391	19,351	-5.0%
184	134	154	-13.0%	HHMCPO Adult/Ped Admissions	1,832	1,958	1,854	5.6%
142	185	158	17.1%	Adult Psych Admissions	1,856	2,236	1,900	17.7%
66	70	64	9.4%	Rehabilitative Admissions	764	776	720	7.8%
<b>1,827</b>	<b>1,787</b>	<b>1,967</b>	<b>-9.2%</b>	<b>Total Adult/Ped Admissions</b>	<b>23,205</b>	<b>23,361</b>	<b>23,825</b>	<b>-1.9%</b>
7,815	7,487	7,665	-2.3%	HHMC Adult/Ped Patient Days	99,681	96,381	93,243	3.4%
965	373	659	-43.4%	HHMCPO Adult/Ped Patient Days	10,335	6,444	7,910	-18.5%
1,553	1,492	1,569	-4.9%	Adult Psych Patient Days	17,249	16,214	18,826	-13.9%
931	1,019	931	9.5%	Rehabilitative Patient Days	10,577	11,173	10,506	6.3%
<b>11,264</b>	<b>10,371</b>	<b>10,824</b>	<b>-4.2%</b>	<b>Total Adult/Ped Patient Days</b>	<b>137,842</b>	<b>130,212</b>	<b>130,485</b>	<b>-0.2%</b>
5.4	5.4	4.8	11.2%	HHMC Average Length of Stay	5.3	5.2	4.8	8.8%
5.2	2.8	4.3	-35.0%	HHMCPO Average Length of Stay	5.6	3.3	4.3	-22.9%
<b>5.4</b>	<b>5.1</b>	<b>4.8</b>	<b>7.6%</b>	<b>HHMC/ HHMCPO Average Length of Stay</b>	<b>5.3</b>	<b>5.1</b>	<b>4.8</b>	<b>5.9%</b>
10.9	8.1	9.9	-18.8%	Adult Psych Average Length of Stay	9.3	7.3	9.9	-26.8%
14.1	14.6	14.5	0.1%	Rehabilitative Length of Stay	13.8	14.4	14.6	-1.3%
<b>6.2</b>	<b>5.8</b>	<b>5.5</b>	<b>5.5%</b>	<b>Total Average Length of Stay</b>	<b>5.9</b>	<b>5.6</b>	<b>5.5</b>	<b>1.8%</b>
<b>375</b>	<b>346</b>	<b>361</b>	<b>-4.2%</b>	<b>Total Average Daily Census</b>	<b>378</b>	<b>357</b>	<b>357</b>	<b>-0.2%</b>
809	842	809	4.1%	HHMC Observation Patient Day Equivalents	10,433	10,808	9,678	11.7%
189	202	189	6.9%	HHMCPO Observation Patient Day Equivalents	2,279	2,503	2,271	10.2%
<b>998</b>	<b>1,044</b>	<b>998</b>	<b>4.6%</b>	<b>Total Observation Patient Day Equivalents</b>	<b>12,712</b>	<b>13,311</b>	<b>11,949</b>	<b>11.4%</b>
<b>33</b>	<b>35</b>	<b>33</b>	<b>6.1%</b>	<b>Observation Average Daily Census</b>	<b>35</b>	<b>36</b>	<b>33</b>	<b>9.1%</b>
152	138	160	-13.8%	HHMC Newborn Births	1,766	1,715	1,880	-8.8%
263	245	293	-16.4%	HHMC Nursery Patient Days	3,224	3,108	3,508	-11.4%
402	419	469	-10.7%	HHMC Inpatient Surgeries	5,210	5,707	5,483	4.1%
6	4	3	33.3%	HHMCPO Inpatient Surgeries	89	95	36	163.9%
<b>408</b>	<b>423</b>	<b>472</b>	<b>-10.4%</b>	<b>Total Inpatient Surgeries</b>	<b>5,299</b>	<b>5,802</b>	<b>5,519</b>	<b>5.1%</b>
				<b><u>Inpatient Surgeries</u></b>				
157	139			Orthopedics	1,984	1,905		
43	56			General Surgery	724	701		
25	55			Gastroenterology	207	848		
37	32			Neurosurgery	461	396		
31	22			Vascular	403	364		
115	119			All Other	1,520	1,588		
<b>408</b>	<b>423</b>	<b>472</b>	<b>-10.4%</b>	<b>Total Inpatient Surgeries</b>	<b>5,299</b>	<b>5,802</b>	<b>5,519</b>	<b>5.1%</b>

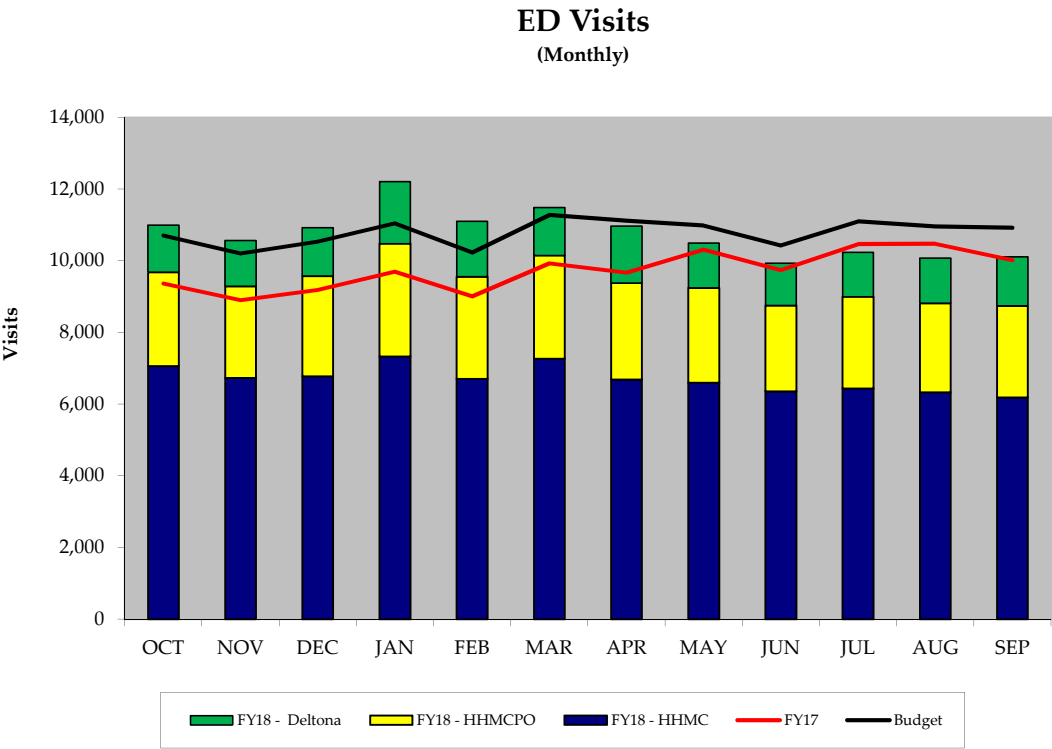
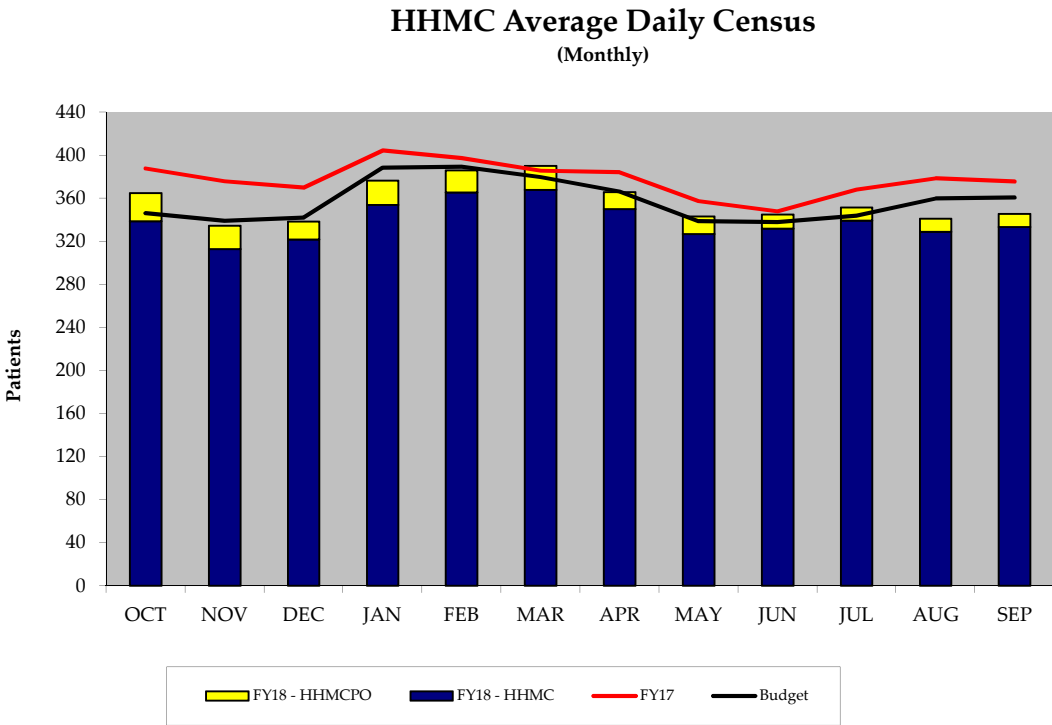
## Halifax Health Statistical Summary

Month Ended September 30					Twelve Months Ended September 30			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>		<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
				<u>Outpatient Activity</u>				
6,314	6,187	6,787	-8.8%	HHMC ED Registrations	80,287	80,464	81,456	-1.2%
2,476	2,555	2,602	-1.8%	HHMCPO ED Registrations	30,999	32,171	31,214	3.1%
1,222	1,371	1,530	-10.4%	Deltona ED Registrations	5,461	16,455	16,795	-2.0%
<b>10,012</b>	<b>10,113</b>	<b>10,919</b>	<b>-7.4%</b>	<b>Total ED</b>	<b>116,747</b>	<b>129,090</b>	<b>129,465</b>	<b>-0.3%</b>
326	311	424	-26.7%	HHMC Outpatient Surgeries	4,733	4,384	4,724	-7.2%
0	0	0	0.0%	HPC Outpatient Surgeries	310	3	0	0.0%
72	95	107	-11.2%	HHMCPO Outpatient Surgeries	732	1,441	1,298	11.0%
284	249	319	-21.9%	Twin Lakes Surgeries	4,136	3,442	3,704	-7.1%
<b>682</b>	<b>655</b>	<b>850</b>	<b>-22.9%</b>	<b>Total Outpatient Surgeries</b>	<b>9,911</b>	<b>9,270</b>	<b>9,726</b>	<b>-4.7%</b>
				<u>Outpatient Surgeries</u>				
139	131			General Surgery	1,986	1,831		
110	55			Orthopedics	1,749	1,158		
99	107			Gastroenterology	1,060	1,302		
45	43			Ophthalmology	629	670		
46	39			Obstetrics Gynecology	607	635		
243	280			All Other	3,880	3,674		
<b>682</b>	<b>655</b>	<b>850</b>	<b>-22.9%</b>	<b>Total Outpatient Surgeries</b>	<b>9,911</b>	<b>9,270</b>	<b>9,726</b>	<b>-4.7%</b>
				<u>Cardiology Procedures</u>				
11	17			Open Heart Cases	236	247		
121	130			Cardiac Caths	1,642	1,859		
16	22			CRM Devices	344	356		
37	40			EP Studies	458	533		
<b>185</b>	<b>209</b>	<b>232</b>	<b>-9.9%</b>	<b>Total Cardiology Procedures</b>	<b>2,680</b>	<b>2,995</b>	<b>2,840</b>	<b>5.5%</b>
				<u>Interventional Radiology Procedures</u>				
6	2	7	-71.4%	Vascular	71	109	82	32.9%
147	161	151	6.6%	Nonvascular	1,921	2,091	1,978	5.7%
<b>153</b>	<b>163</b>	<b>158</b>	<b>3.2%</b>	<b>Total Interventional Radiology Procedures</b>	<b>1,992</b>	<b>2,200</b>	<b>2,060</b>	<b>6.8%</b>
<b>183</b>	<b>154</b>	<b>204</b>	<b>-24.5%</b>	<b>GI Procedures</b>	<b>2,401</b>	<b>2,373</b>	<b>2,427</b>	<b>-2.2%</b>
				<u>HH Hospice Activity</u>				
				<u>Patient Days</u>				
16,161	15,416	15,002	2.8%	Volusia/ Flagler	187,326	189,824	182,515	4.0%
1,548	1,736	1,801	-3.6%	Orange/ Osceola	13,905	18,343	18,255	0.5%
<b>17,709</b>	<b>17,152</b>	<b>16,803</b>	<b>2.1%</b>	<b>HH Hospice Patient Days</b>	<b>201,231</b>	<b>208,167</b>	<b>200,770</b>	<b>3.7%</b>
				<u>Average Daily Census</u>				
539	514	500	2.8%	Volusia/ Flagler	513	520	500	4.0%
52	58	60	-3.6%	Orange/ Osceola	38	50	50	0.5%
<b>591</b>	<b>572</b>	<b>560</b>	<b>2.1%</b>	<b>HH Hospice Average Daily Census</b>	<b>551</b>	<b>570</b>	<b>550</b>	<b>3.7%</b>

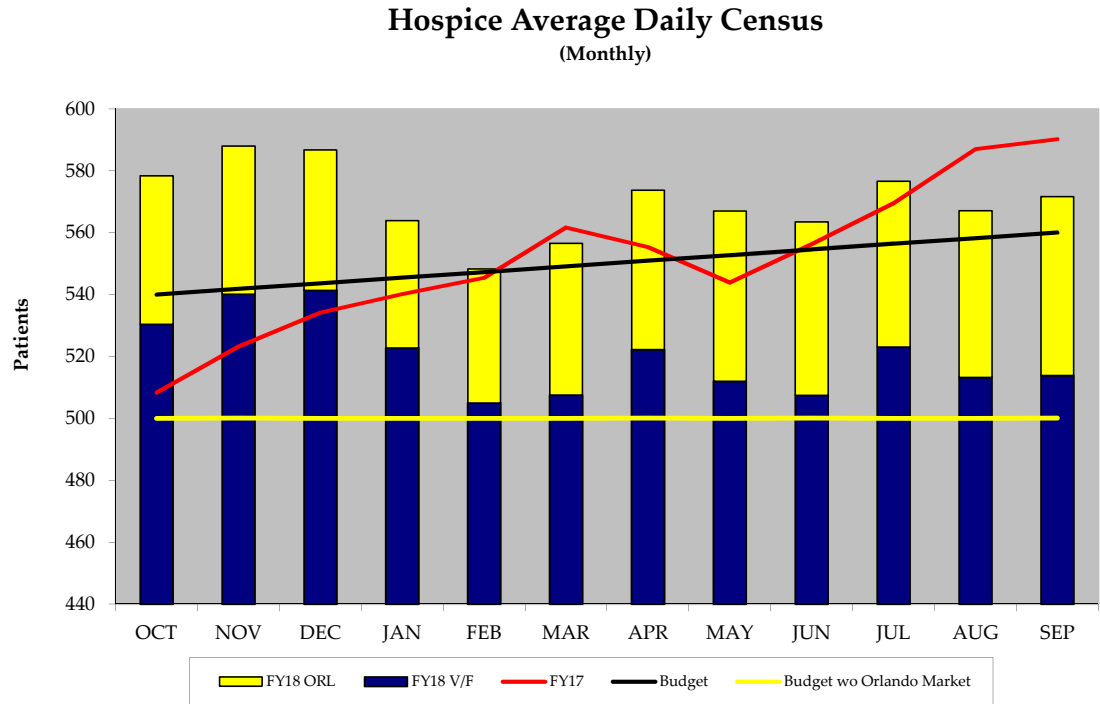
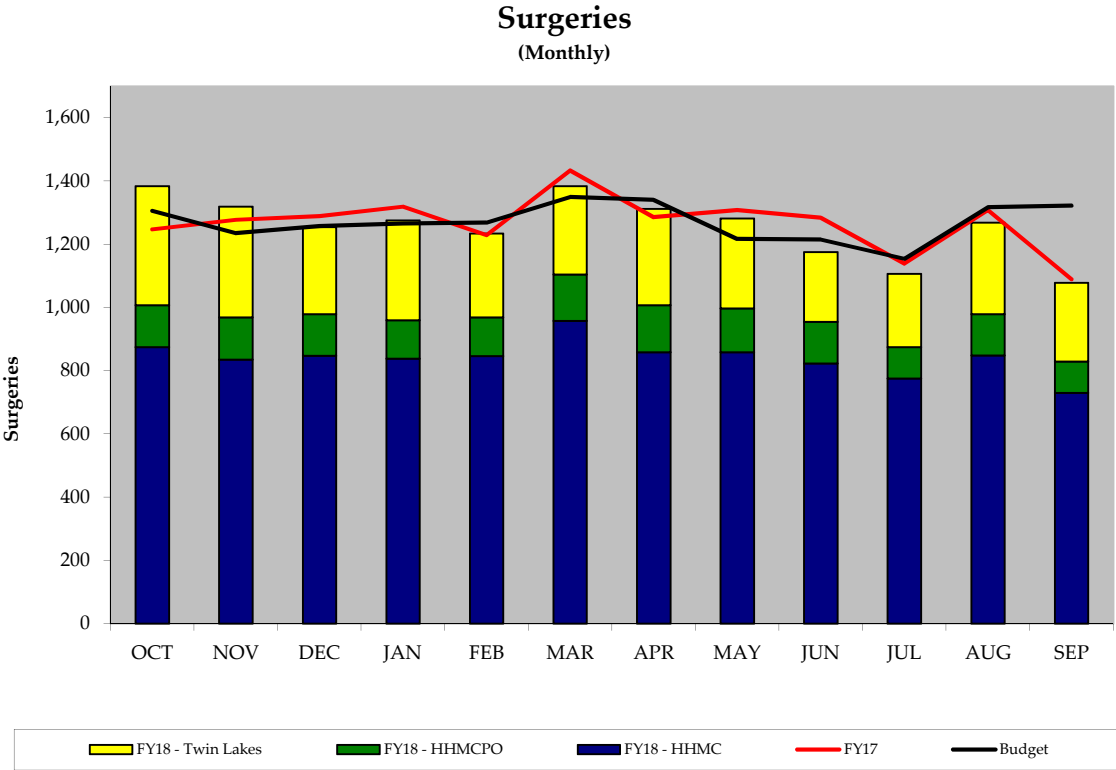
## Halifax Health Statistical Summary

Month Ended September 30				Twelve Months Ended September 30			
<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>	<u>2017</u>	<u>2018</u>	<u>Budget</u>	<u>Var.</u>
<b><u>Physician Practice Activity</u></b>							
<b><u>Primary Care Visits</u></b>							
230	614	346	77.5%	Ormond Beach	3,955	6,349	3,437 84.7%
904	1,010	1,046	-3.4%	Daytona Beach	12,067	12,693	12,559 1.1%
452	573	619	-7.4%	Port Orange	7,875	7,498	7,429 0.9%
230	142	593	-76.1%	Deltona	3,389	2,393	7,110 -66.3%
535	612	800	-23.5%	New Smyrna	3,979	8,537	9,600 -11.1%
464	632	461	37.1%	Ormond Beach (Women's/OB)	6,021	6,703	5,606 19.6%
179	290	848	-65.8%	Ormond Beach - Urgent Care	1,320	4,462	10,315 -56.7%
<b>2,994</b>	<b>3,873</b>	<b>4,713</b>	<b>-17.8%</b>	<b>Primary Care Visits</b>	<b>38,606</b>	<b>48,635</b>	<b>56,056 -13.2%</b>
<b><u>Children's Medical Center Visits</u></b>							
483	622	1,000	-37.8%	Ormond Beach	9,798	7,176	11,232 -36.1%
198	409	312	31.1%	Palm Coast	1,675	4,505	3,870 16.4%
431	550	707	-22.2%	Port Orange	5,997	6,206	8,488 -26.9%
<b>1,112</b>	<b>1,581</b>	<b>2,019</b>	<b>-21.7%</b>	<b>Children's Medical Center Visits</b>	<b>17,470</b>	<b>17,887</b>	<b>23,590 -24.2%</b>
<b><u>Community Clinic Visits</u></b>							
282	376	428	-12.1%	Keech Street	4,888	4,450	5,151 -13.6%
111	-	-	0.0%	Adult Community Clinic	2,777	92	75 22.7%
<b>393</b>	<b>376</b>	<b>428</b>	<b>-12.1%</b>	<b>Community Clinic Visits</b>	<b>7,665</b>	<b>4,542</b>	<b>5,226 -13.1%</b>

# Halifax Health Statistical Summary - Graphic



# Halifax Health Statistical Summary - Graphic





# Halifax Health

## Condensed Statement of Net Position

(\$ in thousands)

	September 30		
	2018	2017	Change
<b><u>Assets</u></b>			
Cash and cash equivalents	\$49,068	\$63,423	(\$14,355)
Investments	336,185	268,485	67,700
Board designated assets	45,420	45,158	262
Accounts receivable	71,907	61,630	10,277
Restricted assets whose use is limited	6,188	6,428	(240)
Other assets	37,297	43,960	(6,663)
Deferred outflow - swap	21,010	27,176	(6,166)
Deferred outflow - loss on bond refunding	15,540	16,455	(915)
Deferred outflow - pension	22,322	31,822	(9,500)
Property, plant and equipment	379,880	356,938	22,942
Total Assets	<u>\$984,817</u>	<u>\$921,475</u>	<u>\$63,342</u>
<b><u>Liabilities and Net position</u></b>			
Accounts payable	\$53,687	\$45,776	\$7,911
Other liabilities	86,008	74,461	11,547
Deferred inflow - pension	1,979	4,387	(2,408)
Net pension liability	70,037	88,752	(18,715)
Long-term debt	425,165	346,868	78,297
Premium on LTD, net	18,592	19,262	(670)
Long-term value of swap	21,010	27,176	(6,166)
Net position	308,339	314,793	(6,454)
Total Liabilities and Net position	<u>\$984,817</u>	<u>\$921,475</u>	<u>\$63,342</u>

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

Month ended September 30, 2018	Month ended September 30, 2017	Variance		Twelve Months ended September 30, 2018	Twelve Months ended September 30, 2017	Variance
			<b>Cash flows from operating activities:</b>			
\$38,664	\$41,853	(\$3,189)	Receipts from third party payors and patients	\$509,096	\$502,023	\$7,073
(22,355)	(20,431)	(1,924)	Payments to employees	(291,746)	(297,760)	6,014
(2,012)	(6,997)	4,985	Payments to suppliers	(192,363)	(184,239)	(8,124)
(17)	-	(17)	Receipt of ad valorem taxes	6,050	11,671	(5,621)
-	-	-	Receipt (payment) of State UPL funds, net	7,805	4,864	2,941
3,298	1,988	1,310	Other receipts	31,380	33,324	(1,944)
(3,042)	(900)	(2,142)	Other payments	(44,162)	(41,444)	(2,718)
14,536	15,513	(977)	Net cash provided by (used in) operating activities	26,060	28,439	(2,379)
			<b>Cash flows from noncapital financing activities:</b>			
18	120	(102)	Proceeds from donations received	677	1,014	(337)
-	-	-	Payments for acquisition of a business	-	-	-
	(50)	50	Payment of notes payable		(50)	50
190	1	189	Other nonoperating revenues, expenses and gains/(losses)	1,289	16	1,273
208	71	137	Net cash provided by noncapital financing activities	1,966	980	986
			<b>Cash flows from capital and related financing activities:</b>			
(2,224)	(2,616)	392	Acquisition of capital assets	(16,282)	(20,690)	4,408
(4,928)	(1,266)	(3,662)	Acquisition of capital assets- Deltona	(26,049)	(1,266)	(24,783)
-	(206)	206	Payment of long-term debt	(6,700)	(7,531)	831
-	-	-	Proceeds from issuance of long-term debt	85,000	-	85,000
-	7,248	(7,248)	Transfers to trustee held funds	-	12,722	(12,722)
-	-	-	Payment for defeasance of bonds	-	-	-
(2,277)	(292)	(1,985)	Payment of interest on long-term debt	(19,002)	(16,803)	(2,199)
-	-	-	Payment of bond issue costs	(354)	-	(354)
(9,429)	2,868	(12,297)	Net cash provided by (used in) capital financing activities	16,613	(33,568)	50,181
			<b>Cash flows from investing activities:</b>			
3,929	1,826	2,103	Realized investment income (loss)	7,693	6,802	891
(4,003)	(2,546)	(1,457)	Purchases of investments/limited use assets	(220,958)	(11,478)	(209,480)
8,029	4,075	3,954	Sales/Maturities of investments/limited use assets	154,271	13,675	140,596
7,955	3,355	4,600	Net cash provided by (used in) investing activities	(58,994)	8,999	(67,993)
13,270	21,807	(8,537)	<b>Net increase (decrease) in cash and cash equivalents</b>	(14,355)	4,850	(19,205)
35,798	41,616	(5,818)	<b>Cash and cash equivalents at beginning of period</b>	63,423	58,573	4,850
<u>\$49,068</u>	<u>\$63,423</u>	<u>(\$14,355)</u>	<b>Cash and cash equivalents at end of period</b>	<u>\$49,068</u>	<u>\$63,423</u>	<u>(\$14,355)</u>

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

Actual Month Ended September 30, 2018	Actual Month Ended September 30, 2017	Favorable (Unfavorable) Variance		Actual Twelve Months September 30, 2018	Actual Twelve Months September 30, 2017	Favorable (Unfavorable) Variance
			Operating revenues:			
\$42,329	\$33,340	\$8,989	Net patient service revenue, before provision for bad debts	\$602,813	\$585,712	\$17,101
(5,080)	5,407	(10,487)	Provision for bad debts	(86,967)	(79,612)	(7,355)
37,249	38,747	(1,498)	Net patient service revenue	515,846	506,100	9,746
504	938	(434)	Ad valorem taxes	6,048	11,252	(5,204)
3,333	3,513	(180)	Other revenue	28,311	27,899	412
41,086	43,198	(2,112)	Total operating revenues	550,205	545,251	4,954
			Operating expenses:			
20,159	22,083	1,924	Salaries and benefits	272,658	277,466	4,808
6,971	6,568	(403)	Purchased services	82,390	78,350	(4,040)
8,581	8,725	144	Supplies	102,396	101,356	(1,040)
2,442	2,134	(308)	Depreciation and amortization	26,153	24,031	(2,122)
1,499	1,350	(149)	Interest	18,012	16,814	(1,198)
535	570	35	Ad valorem tax related expenses	6,570	7,417	847
792	820	28	Leases and rentals	9,750	9,542	(208)
1,941	2,412	471	Other	28,728	27,192	(1,536)
42,920	44,662	1,742	Total operating expenses	546,657	542,168	(4,489)
(1,834)	(1,464)	(370)	Excess (deficiency) of operating revenues over expenses	3,548	3,083	465
			Nonoperating revenues, expenses, and gains/(losses):			
3,929	1,826	2,103	Realized investment income/(losses)	7,692	6,802	890
(4,039)	(389)	(3,650)	Unrealized investment income/(losses)	(83)	1,886	(1,969)
18	120	(102)	Donation revenue	679	1,014	(335)
190	(2)	192	Nonoperating gains/(losses), net	1,290	16	1,274
98	1,555	(1,457)	Total nonoperating revenues, expenses, and gains/(losses)	9,578	9,718	(140)
(1,736)	91	(1,827)	Increase (decrease) in net position before other changes in net position	13,126	12,801	325
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension <sup>(1)</sup>	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
(\$1,736)	\$91	(\$1,827)	Increase (decrease) in net position	(\$7,973)	\$12,801	(\$20,774)

<sup>(1)</sup> Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended September 30, 2018	Static Budget Month Ended September 30, 2018	Favorable (Unfavorable) Variance		Actual Twelve Months Ended September 30, 2018	Static Budget Twelve Months Ended September 30, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$42,329	\$52,490	(\$10,161)	Net patient service revenue, before provision for bad debts	\$602,813	\$625,631	(\$22,818)
(5,080)	(8,131)	3,051	Provision for bad debts	(86,967)	(96,939)	9,972
37,249	44,359	(7,110)	Net patient service revenue	515,846	528,692	(12,846)
504	504	-	Ad valorem taxes	6,048	6,048	-
3,333	2,168	1,165	Other revenue	28,311	26,004	2,307
41,086	47,031	(5,945)	Total operating revenues	550,205	560,744	(10,539)
			Operating expenses:			
20,159	22,250	2,091	Salaries and benefits	272,658	290,567	17,909
6,971	6,274	(697)	Purchased services	82,390	74,382	(8,008)
8,581	8,258	(323)	Supplies	102,396	97,576	(4,820)
2,442	2,007	(435)	Depreciation and amortization	26,153	24,081	(2,072)
1,499	1,389	(110)	Interest	18,012	16,697	(1,315)
535	523	(12)	Ad valorem tax related expenses	6,570	6,376	(194)
792	805	13	Leases and rentals	9,750	9,662	(88)
1,941	2,352	411	Other	28,728	28,221	(507)
42,920	43,858	938	Total operating expenses	546,657	547,562	905
(1,834)	3,173	(5,007)	Excess (deficiency) of operating revenues over expenses	3,548	13,182	(9,634)
			Nonoperating revenues, expenses, and gains/(losses):			
3,929	365	3,564	Realized investment income/(losses)	7,692	4,388	3,304
(4,039)	(2)	(4,037)	Unrealized investment income/(losses)	(83)	(20)	(63)
18	58	(40)	Donation revenue	679	692	(13)
190	-	190	Nonoperating gains/(losses), net	1,290	-	1,290
98	421	(323)	Total nonoperating revenues, expenses, and gains/(losses)	9,578	5,060	4,518
(1,736)	3,594	(5,330)	Increase (decrease) in net position before other changes in net position	13,126	18,242	(5,116)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension <sup>(1)</sup>	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
(\$1,736)	\$3,594	(\$5,330)	Increase (decrease) in net position	(\$7,973)	\$18,242	(\$26,215)

<sup>(1)</sup> Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended September 30, 2018	Static Budget Month Ended September 30, 2018	Favorable (Unfavorable) Variance		Actual Ended September 30, 2018	Static Budget Ended September 30, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$39,033	\$48,874	(\$9,841)	Net patient service revenue, before provision for bad debts	\$559,417	\$582,391	(\$22,974)
(5,244)	(8,046)	2,802	Provision for bad debts	(86,263)	(95,905)	9,642
33,789	40,828	(7,039)	Net patient service revenue	473,154	486,486	(13,332)
504	504	-	Ad valorem taxes	6,048	6,048	-
2,882	1,395	1,487	Other revenue	18,481	16,737	1,744
37,175	42,727	(5,552)	Total operating revenues	497,683	509,271	(11,588)
			Operating expenses:			
18,708	20,320	1,612	Salaries and benefits	248,910	265,705	16,795
5,799	5,172	(627)	Purchased services	68,458	61,233	(7,225)
8,384	8,033	(351)	Supplies	100,030	94,886	(5,144)
2,311	1,881	(430)	Depreciation and amortization	24,588	22,570	(2,018)
1,496	1,389	(107)	Interest	17,750	16,668	(1,082)
535	523	(12)	Ad valorem tax related expenses	6,570	6,376	(194)
613	633	20	Leases and rentals	7,625	7,598	(27)
1,680	2,120	440	Other	26,054	25,442	(612)
39,526	40,071	545	Total operating expenses	499,985	500,478	493
(2,351)	2,656	(5,007)	Excess (deficiency) of operating revenues over expenses	(2,302)	8,793	(11,095)
			Nonoperating revenues, expenses, and gains/(losses):			
3,777	180	3,597	Realized investment income/(losses)	6,375	2,164	4,211
(3,675)	(2)	(3,673)	Unrealized investment income/(losses)	(3,461)	(20)	(3,441)
-	-	-	Donation revenue	117	-	117
190	-	190	Nonoperating gains/(losses), net	1,290	-	1,290
292	178	114	Total nonoperating revenues, expenses, and gains/(losses)	4,321	2,144	2,177
(2,059)	2,834	(4,893)	Increase (decrease) in net position before other changes in net position	2,019	10,937	(8,918)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension <sup>(1)</sup>	(19,962)	-	(19,962)
-	-	-	Total other changes in net position	(19,962)	-	(19,962)
(\$2,059)	\$2,834	(\$4,893)	Increase (decrease) in net position	(\$17,943)	\$10,937	(\$28,880)

<sup>(1)</sup> Halifax Health implemented GASB 75 as of October 1, 2017.

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

Actual Month Ended September 30, 2017		Actual Month Ended September 30, 2018		Static Budget Month Ended September 30, 2018			Actual Twelve Months Ended September 30, 2017		Actual Twelve Months Ended September 30, 2018		Static Budget Twelve Months Ended September 30, 2018	
\$144,289	100.00%	\$152,288	100.00%	\$163,427	100.00%	Gross charges	\$1,827,859	100.00%	\$1,958,419	100.00%	\$1,947,811	100.00%
(26,767)	-18.55%	(15,579)	-10.23%	(8,602)	-5.26%	Charity	(113,029)	-6.18%	(133,741)	-6.83%	(102,357)	-5.25%
(87,882)	-60.91%	(97,676)	-64.14%	(105,951)	-64.83%	Contractual adjustments	(1,169,536)	-63.98%	(1,265,261)	-64.61%	(1,263,063)	-64.85%
29,640	20.54%	39,033	25.63%	48,874	29.91%	Gross charges, before provision for bad debts	545,294	29.83%	559,417	28.56%	582,391	29.90%
5,476	3.80%	(5,244)	-3.44%	(8,046)	-4.92%	Provision for bad debts	(78,353)	-4.29%	(86,263)	-4.40%	(95,905)	-4.92%
<b>\$35,116</b>	<b>24.34%</b>	<b>\$33,789</b>	<b>22.19%</b>	<b>\$40,828</b>	<b>24.98%</b>	<b>Net patient service revenue</b>	<b>\$466,941</b>	<b>25.55%</b>	<b>\$473,154</b>	<b>24.16%</b>	<b>\$486,486</b>	<b>24.98%</b>



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

Actual Month Ended September 30, 2018	Static Budget Month Ended September 30,	Favorable (Unfavorable) Variance		Actual Twelve Months September 30, 2018	Static Budget Twelve Months September 30, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$3,296	\$3,616	(\$320)	Net patient service revenue, before provision for bad debts	\$43,396	\$43,240	\$156
164	(85)	249	Provision for bad debts	(704)	(1,034)	330
3,460	3,531	(71)	Net patient service revenue	42,692	42,206	486
145	199	(54)	Other revenue	2,088	2,388	(300)
3,605	3,730	(125)	Total operating revenues	44,780	44,594	186
			Operating expenses:			
1,386	1,861	475	Salaries and benefits	22,933	24,024	1,091
1,136	1,059	(77)	Purchased services	13,474	12,640	(834)
196	224	28	Supplies	2,363	2,680	317
64	59	(5)	Depreciation and amortization	766	712	(54)
174	167	(7)	Leases and rentals	2,064	2,003	(61)
152	161	9	Other	2,095	1,925	(170)
3,108	3,531	423	Total operating expenses	43,695	43,984	289
497	199	298	Excess of operating revenues over expenses	1,085	610	475
			Nonoperating revenues, expenses, and gains/(losses):			
152	185	(33)	Realized investment income/(losses)	1,317	2,224	(907)
(364)	-	(364)	Unrealized investment income/(losses)	3,378	-	3,378
18	58	(40)	Donation revenue	562	692	(130)
(194)	243	(437)	Total nonoperating revenues, expenses, and gains/(losses)	5,257	2,916	2,341
303	442	(139)	Increase in net position before other changes in net position	6,342	3,526	2,816
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension <sup>(1)</sup>	(1,137)	-	(1,137)
-	-	-	Total other changes in net position	(1,137)	-	(1,137)
\$303	\$442	(\$139)	Increase in net position	\$5,205	\$3,526	\$1,679

<sup>(1)</sup> Halifax Health implemented GASB 75 as of October 1, 2017.

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

<b>Actual Month Ended September 30, 2018</b>	<b>Static Budget Month Ended September 30, 2018</b>	<b>Favorable (Unfavorable) Variance</b>		<b>Actual Twelve Months Ended September 30, 2018</b>	<b>Static Budget Twelve Months Ended September 30, 2018</b>	<b>Favorable (Unfavorable) Variance</b>
			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	-	-	-
366	352	14	Other revenue	4,267	4,219	48
366	352	14	Total operating revenues	4,267	4,219	48
			Operating expenses:			
55	59	4	Salaries and benefits	694	713	19
35	39	4	Purchased services	447	464	17
1	1	-	Supplies	3	10	7
67	67	-	Depreciation and amortization	799	799	-
3	-	(3)	Interest	262	29	(233)
5	5	-	Leases and rentals	61	61	-
1	4	3	Other	11	48	37
167	175	8	Total operating expenses	2,277	2,124	(153)
199	177	22	Excess of operating revenues over expenses	1,990	2,095	(105)
			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)	-	-	-
\$199	\$177	\$22	Increase in net position	\$1,990	\$2,095	(\$105)

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

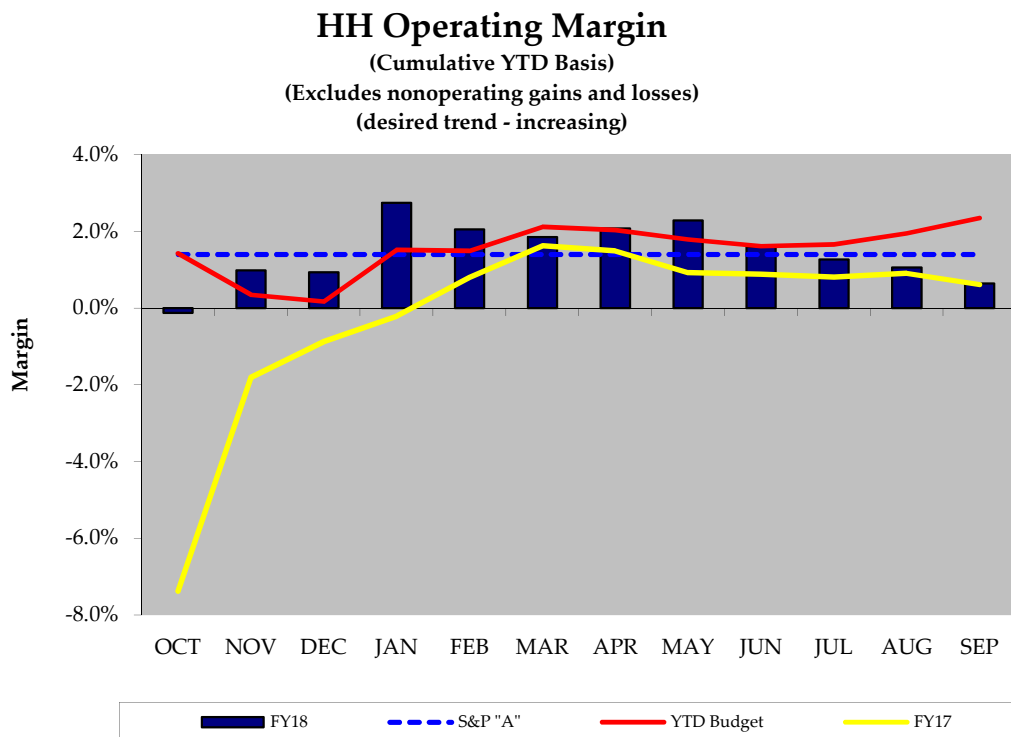
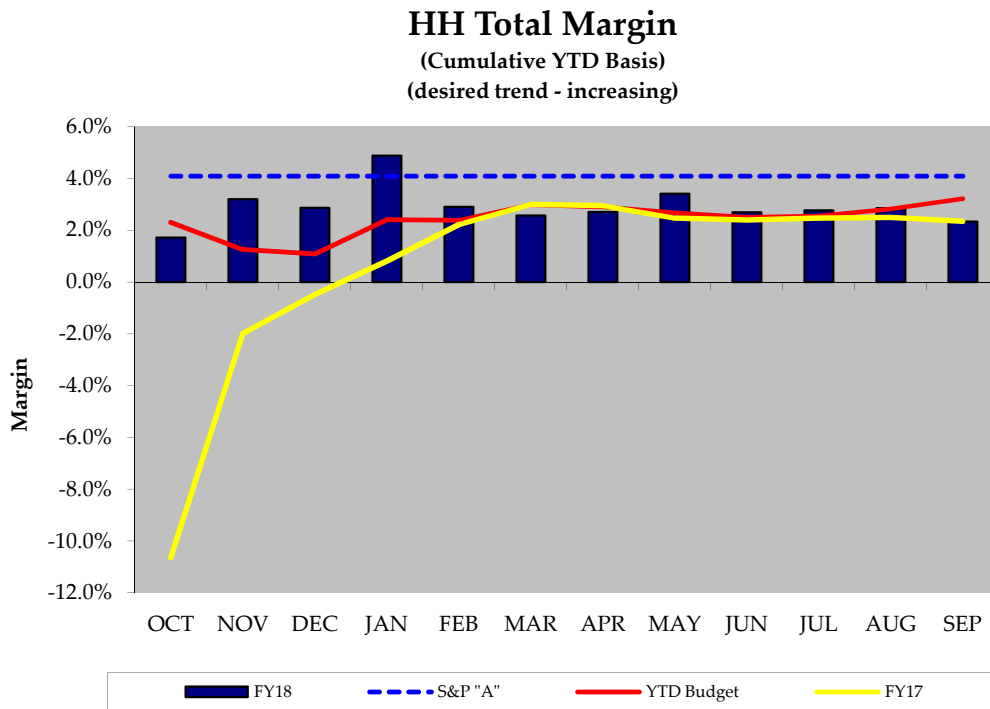
Actual	Static Budget	Favorable		Actual	Static Budget	Favorable
Month Ended	Month Ended	(Unfavorable)		Twelve Months	Twelve Months	(Unfavorable)
September 30, 2018	September 30, 2018	Variance		September 30, 2018	September 30, 2018	Variance
			Operating revenues:			
\$0	\$0	\$0	Net patient service revenue, before provision for bad debts	\$0	\$0	\$0
-	-	-	Provision for bad debts	-	-	-
-	-	-	Net patient service revenue	-	-	-
91	114	(23)	Realized investment income/(losses)	1,025	1,366	(341)
(230)	-	(230)	Unrealized investment income/(losses)	1,310	-	1,310
79	108	(29)	Donation revenue	1,140	1,294	(154)
-	-	-	Other revenue	-	-	-
(60)	222	(282)	Total operating revenues	3,475	2,660	815
			Operating expenses:			
10	10	-	Salaries and benefits	121	125	4
1	4	3	Purchased services	11	45	34
-	-	-	Supplies	-	-	-
-	-	-	Depreciation and amortization	-	-	-
-	-	-	Interest	-	-	-
-	-	-	Leases and rentals	-	-	-
108	67	(41)	Other	568	806	238
119	81	(38)	Total operating expenses	700	976	276
(179)	\$141	(\$320)	Increase (decrease) in net position	\$2,775	\$1,684	\$1,091

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

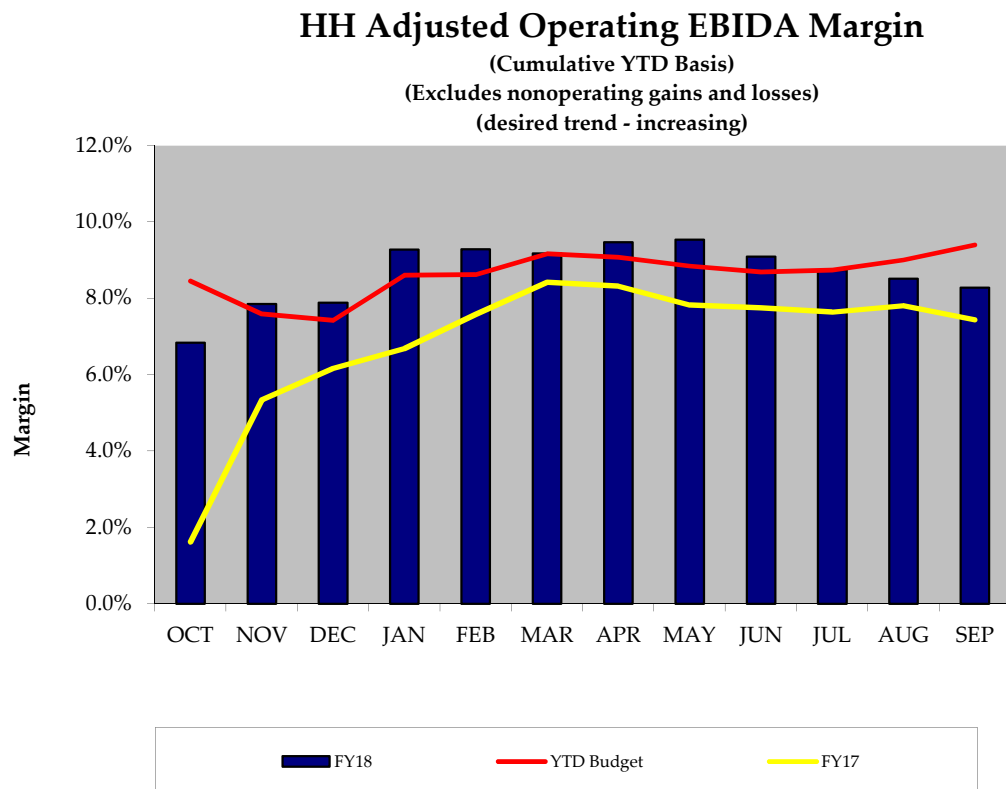
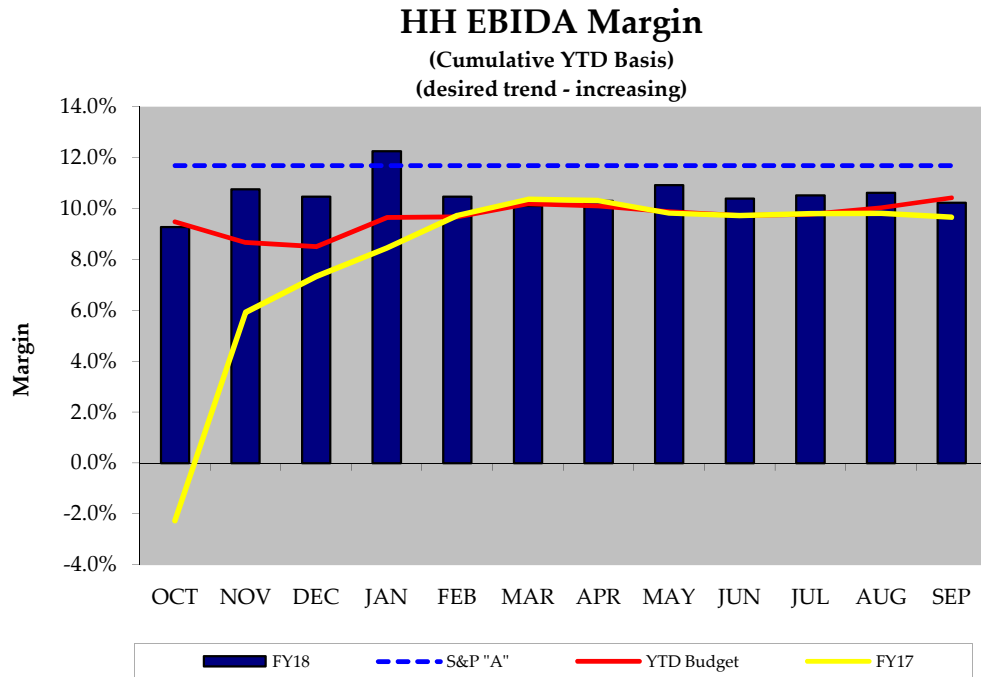
Actual Month Ended September 30, 2018	Static Budget Month Ended September 30, 2018	Favorable (Unfavorable) Variance		Actual Twelve Months September 30, 2018	Static Budget Twelve Months September 30, 2018	Favorable (Unfavorable) Variance
			Operating revenues:			
\$39,033	\$48,874	(\$9,841)	Net patient service revenue, before provision for bad debts	\$559,417	\$582,391	(\$22,974)
(5,244)	(8,046)	2,802	Provision for bad debts	(86,263)	(95,905)	9,642
33,789	40,828	(7,039)	Net patient service revenue	473,154	486,486	(13,332)
504	504	-	Ad valorem taxes	6,048	6,048	-
2,882	1,395	1,487	Other revenue	18,481	16,737	1,744
37,175	42,727	(5,552)	Total operating revenues	497,683	509,271	(11,588)
			Operating expenses:			
18,708	20,320	1,612	Salaries and benefits	248,910	265,705	16,795
5,799	5,172	(627)	Purchased services	68,458	61,233	(7,225)
8,384	8,033	(351)	Supplies	100,030	94,886	(5,144)
2,311	1,881	(430)	Depreciation and amortization	24,588	22,570	(2,018)
1,496	1,389	(107)	Interest	17,750	16,668	(1,082)
535	523	(12)	Ad valorem tax related expenses	6,570	6,376	(194)
613	633	20	Leases and rentals	7,625	7,598	(27)
1,680	2,120	440	Other	26,054	25,442	(612)
39,526	40,071	545	Total operating expenses	499,985	500,478	493
(2,351)	2,656	(5,007)	Excess (deficiency) of operating revenues over expenses	(2,302)	8,793	(11,095)
			Nonoperating revenues, expenses, and gains/(losses):			
3,777	180	3,597	Realized investment income/(losses)	6,375	2,164	4,211
(3,675)	(2)	(3,673)	Unrealized investment income/(losses)	(3,461)	(20)	(3,441)
-	-	-	Donation revenue	117	-	117
323	760	(437)	Income from affiliates	11,107	7,305	3,802
190	-	190	Nonoperating gains/(losses), net	1,290	-	1,290
615	938	(323)	Total nonoperating revenues, expenses, and gains/(losses)	15,428	9,449	5,979
(1,736)	3,594	(5,330)	Increase (decrease) in net position before other changes in net position	13,126	18,242	(5,116)
			Other changes in net position:			
-	-	-	Change in accounting - post employment benefits other than pension <sup>(1)</sup>	(21,099)	-	(21,099)
-	-	-	Total other changes in net position	(21,099)	-	(21,099)
(\$1,736)	\$3,594	(\$5,330)	Increase (decrease) in net position	(\$7,973)	\$18,242	(\$26,215)

<sup>(1)</sup> Halifax Health implemented GASB 75 as of October 1, 2017.

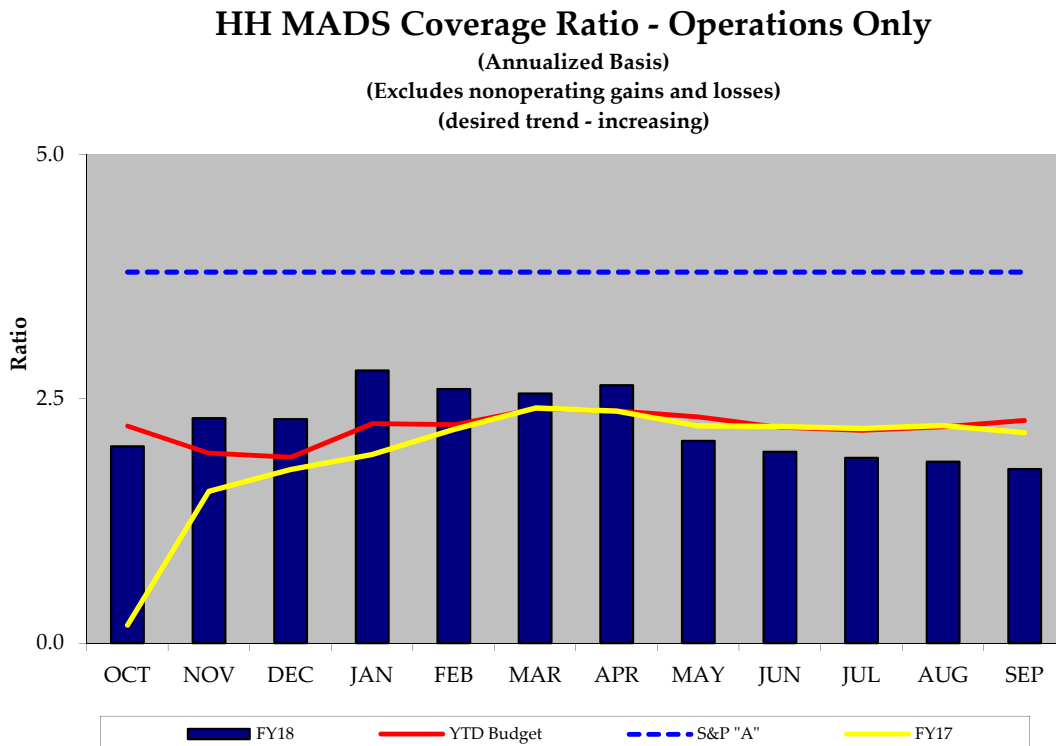
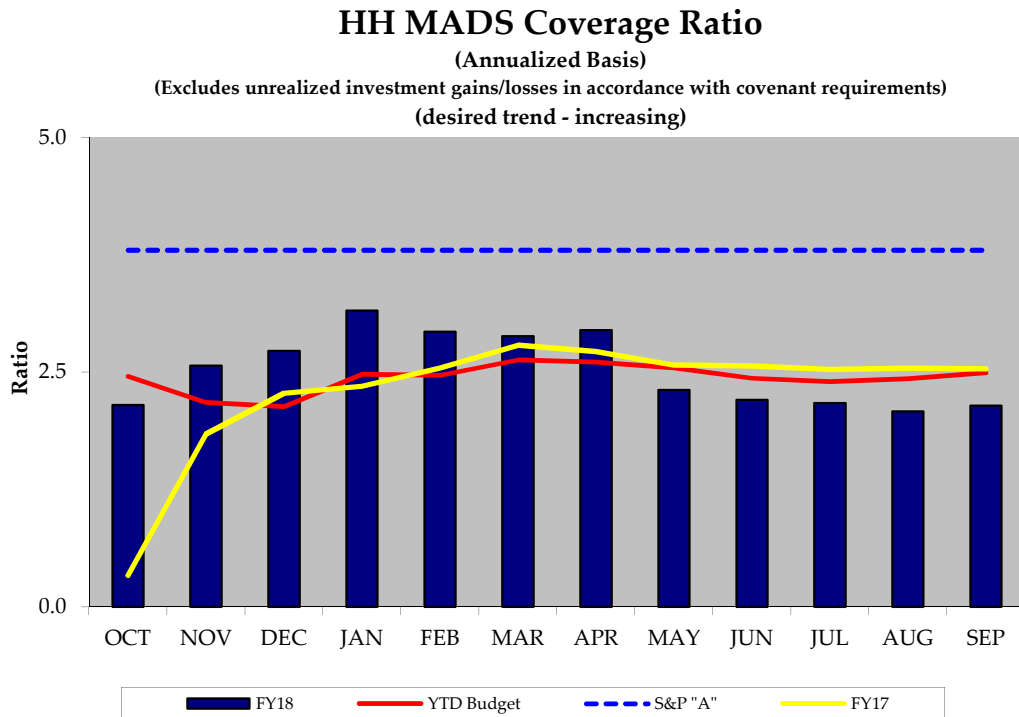
# Halifax Health Financial Summary - Graphic



# Halifax Health Financial Summary - Graphic



# Halifax Health Financial Summary - Graphic





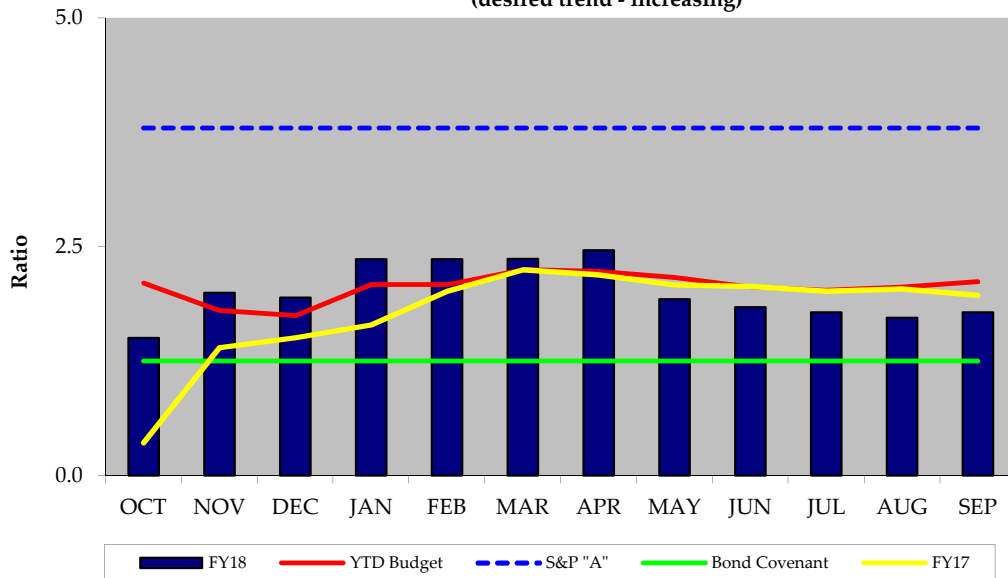
# Halifax Health

## Financial Summary - Graphic

### HHMC Obligated Group MADS Coverage Ratio

(Annualized Basis)

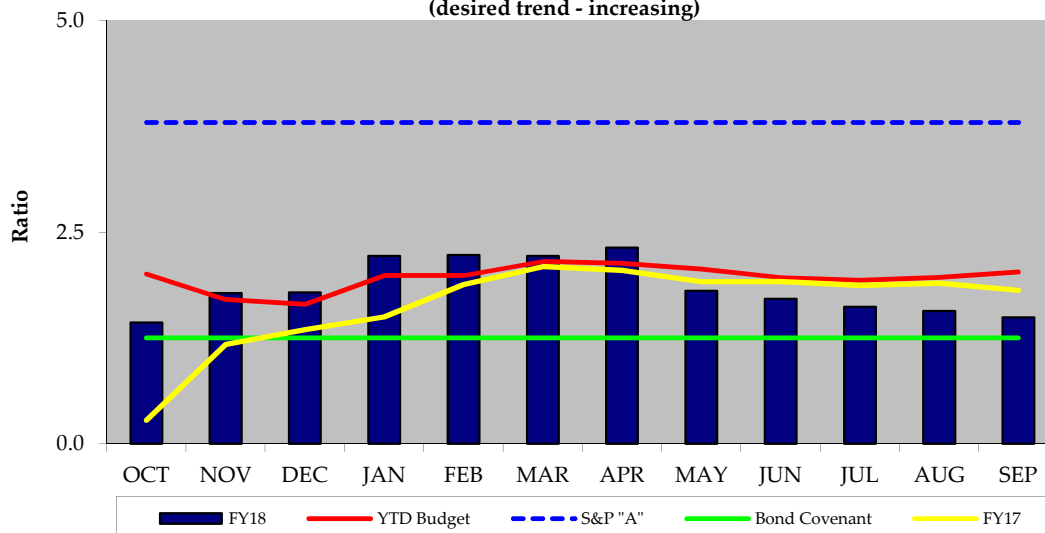
(Excludes unrealized investment gains/losses in accordance with covenant requirements)  
(desired trend - increasing)



### HHMC Obligated Group MADS Coverage Ratio - Operations Only

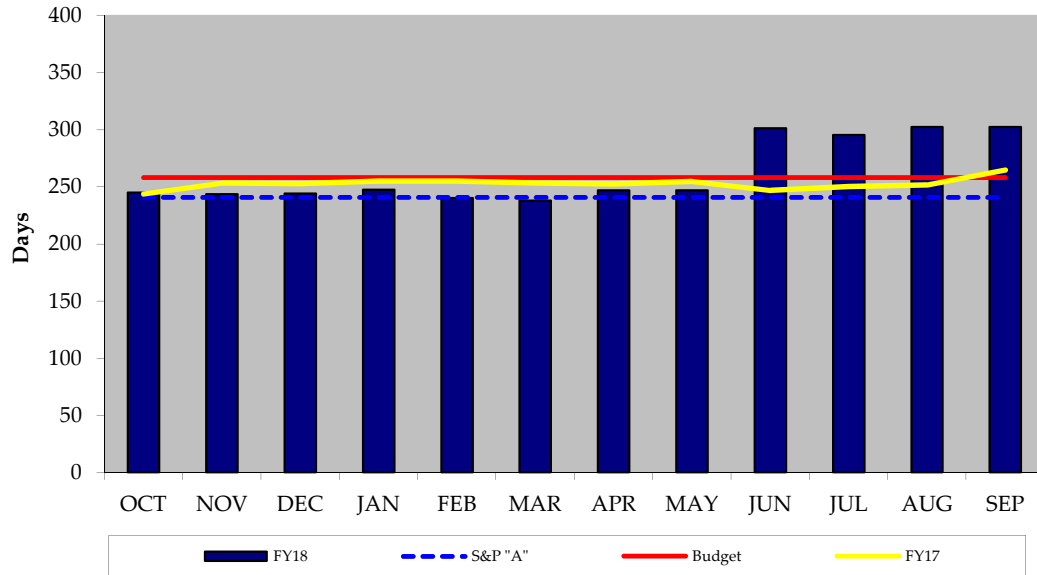
(Annualized Basis)

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

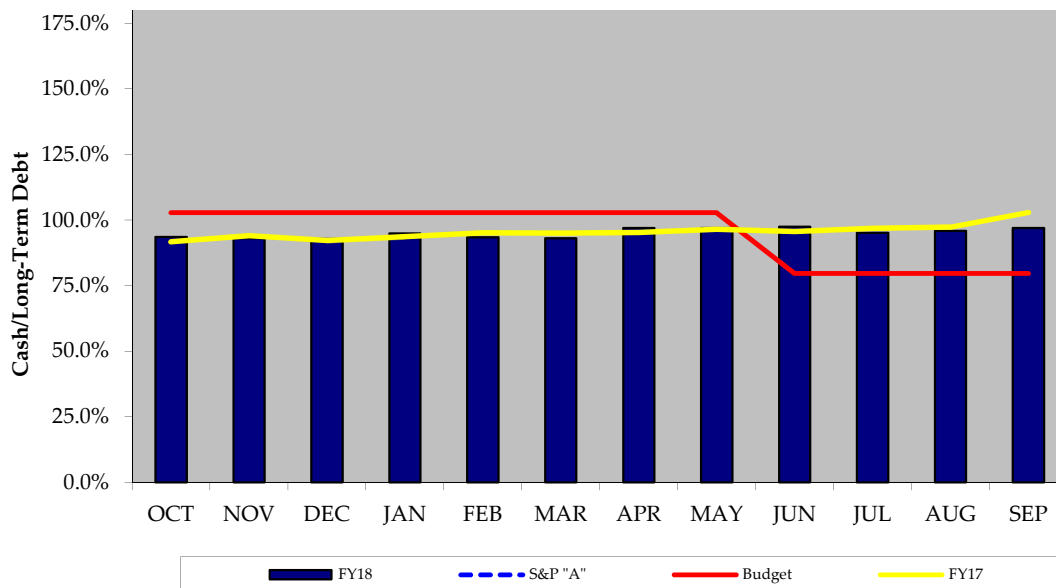


# Halifax Health Financial Summary - Graphic

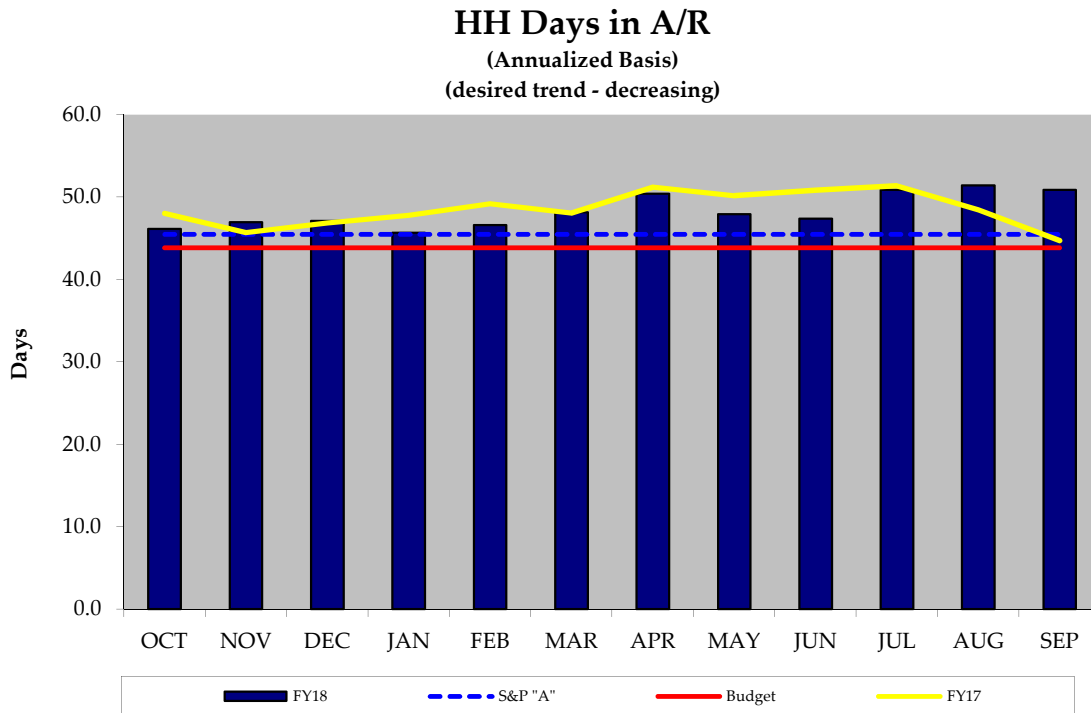
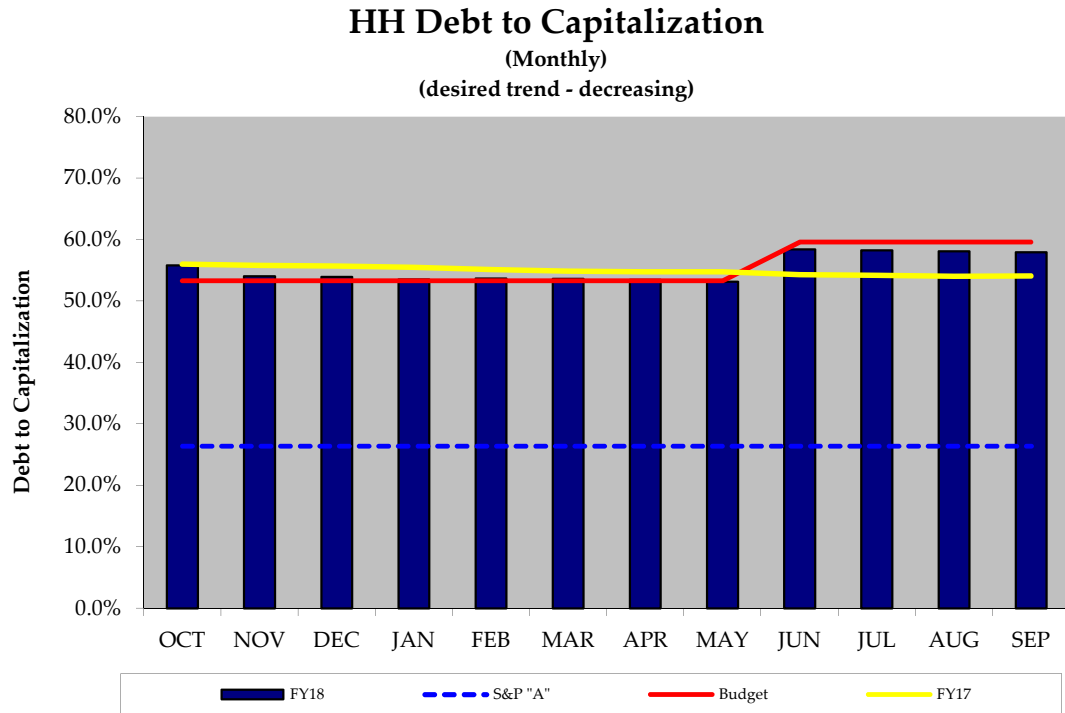
## HH Days Cash on Hand (Annualized Basis) (desired trend - increasing)



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

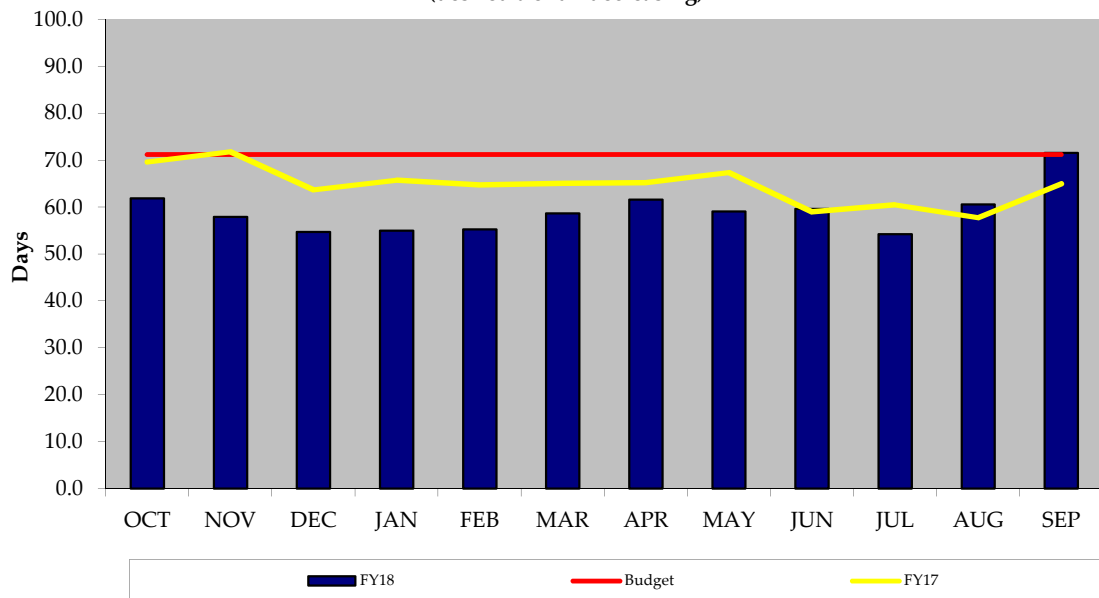


# Halifax Health Financial Summary - Graphic

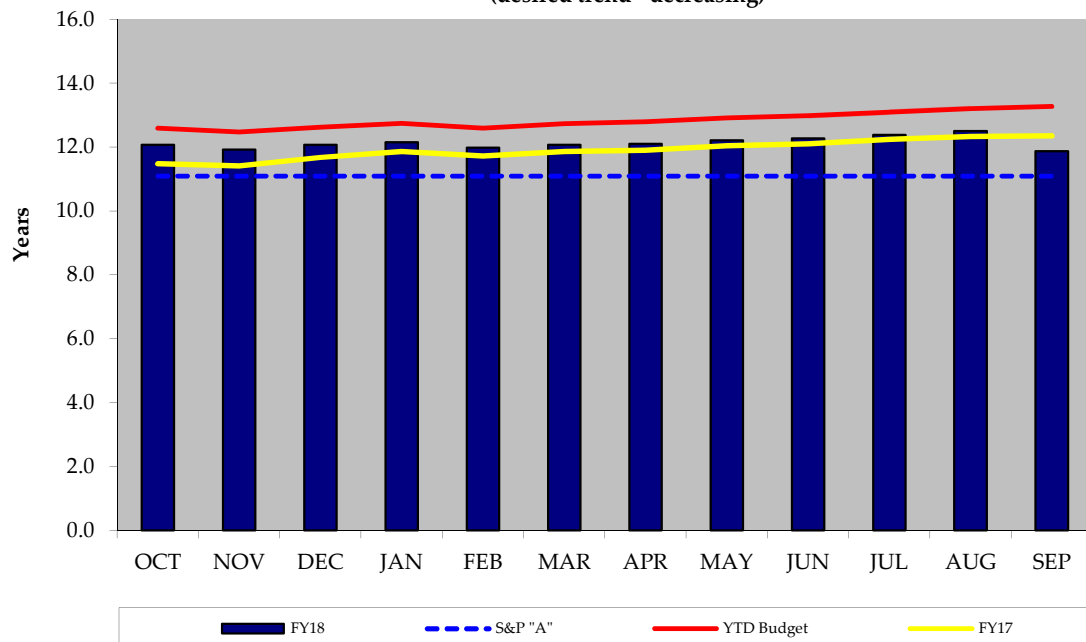


# Halifax Health Financial Summary - Graphic

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



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



**Halifax Health**  
**Financial Ratios and Operating Indicators**  
**Definitions and Calculations**

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

**Halifax Health**  
**FY 2018 Capital Investment Strategy**  
**Executive Summary**  
**As of October, 2019**  
**(\$ in thousands)**

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Targeted Unrestricted Cash and Investments - September 30, 2019 (251 days cash on hand)	\$ 362,023
--	------------

Projected FY 2019 funds available for capital expenditures - based on current level of unrestricted cash and investment, plus amounts expected to be derived from operations and other sources	\$ 17,434
--	-----------

This amount is greater than than the projected capital expenditures for FY 2019
--

<b>Capital Strategy Justifications for Approval of Proposed Capital Projects:</b>
---

- |  |
|--|
| <ol style="list-style-type: none"><li>1. The targeted unrestricted cash and investments for September 30, 2019 (and related days cash on hand) continues to be considered appropriate.</li><li>2. The capital requirements of the projects proposed for Board of Commissioners' approval are within the scope of the FY 2019 capital budget.</li></ol> |
|--|

**Halifax Health**  
**FY 2018 Capital Investment Strategy**  
**As of October, 2019**  
**(\$ in thousands)**

	Hospital Only	HH Holdings	HH Obligated Group	Foundation	Hospice	Total Halifax Health*
<b>Unrestricted Cash and Investments and days cash on hand</b>						
Actual unrestricted Cash and Investments as of September 30, 2018	\$ 177,928	\$ 135,129	\$ 313,058	\$ 39,477	\$ 78,138	\$ 430,673
Days cash on hand [S&P Calculation]	143.3		252.1			295.1
Days cash on hand including bad debt [Bond Compliance Calculation]	120.5		211.9			251.1
<b>Projection of Cash Available for Capital Investment - FY 2019</b>						
Actual unrestricted Cash and Investments as of September 30, 2018	\$ 177,928	\$ 135,129	\$ 313,058	\$ 39,477	\$ 78,138	\$ 430,673
Budgeted Cash and Investments at September 30, 2019	166,531	94,126	260,657	36,202	65,164	362,023
Difference	11,397	41,003	52,401	3,275	12,974	68,650
<b>Calculation of Cash from Operations Available for Capital Investment</b>						
Gain from operations - budgeted FY 2019- Remaining	\$ 3,223	\$ 653	\$ 3,876	\$ 1,613	\$ 1,859	\$ 7,348
GASB 68 pension accounting - budgeted FY 2019- Remaining	-	-	-	-	-	-
Depreciation expense - budgeted FY 2019- Remaining	24,773	757	25,530	-	777	26,307
Expected cash from operations- budgeted FY 2019- Remaining	27,996	1,410	29,406	1,613	2,636	33,655
Donations and nonoperating gains, net- budgeted FY 2019- Remaining	258	-	258	-	707	965
Investment gains- budgeted FY 2019- Remaining	\$ 3,470	\$ 3,345	\$ 6,815	\$ -	\$ 2,800	\$ 9,615
Portion being made available for capital expenditures	100% 3,470	100% 3,345	100% 6,815	100% -	100% 2,800	100% 9,615
Pension Funding	(19,500)	-	(19,500)	-	-	(19,500)
Expected changes in working capital through September 30, 2019	5,380	-	5,380	-	-	5,380
Deltona capital expenditures to be funded by planned financing		(77,311)	(77,311)	-	-	(77,311)
FEMA reimbursement for Data Center Construction	1,500		1,500			1,500
Principal payments on debt	(5,520)	-	(5,520)	-	-	(5,520)
<b>Total expected cash and investments available for capital expenditures</b>	<b>(A) \$ 24,981</b>	<b>(A) \$ (31,553)</b>	<b>(A) \$ (6,571)</b>	<b>(A) \$ 4,888</b>	<b>(A) \$ 19,117</b>	<b>(A) \$ 17,434</b>
<b>Projected Capital Investments FY 2019</b>						
Capital projects approved in FY 2018 and prior	\$ 11,591	\$ -	\$ 11,591	\$ -	\$ -	\$ 11,591
FY2019 capital budget	19,700	-	19,700	-	300	20,000
Estimated carryover of approved projects to FY 2020	(15,000)	-	(15,000)	-	-	(15,000)
Projected capital expenditures	(B) 16,291	(B) -	(B) 16,291	(B) -	(B) 300	(B) 16,591
<b>Projected funds available in excess of capital expenditures</b>	<b>(A)-(B) \$ 8,690</b>	<b>(A)-(B) \$ (31,553)</b>	<b>(A)-(B) \$ (22,862)</b>	<b>(A)-(B) \$ 4,888</b>	<b>(A)-(B) \$ 18,817</b>	<b>(A)-(B) \$ 843</b>
<b>Summary of Capital Approvals</b>						
FY 2019 Capital Budget	\$ 19,700	\$ -	\$ 19,700	\$ -	\$ 300	\$ 20,000
Projected funds available in excess of FY 2019 Capital Investment	8,690	(31,553)	(22,862)	4,888	18,817	843
FY 2019 Capital Budget plus projected excess funds	(C) 28,390	(C) (31,553)	(C) (3,162)	(C) 4,888	(C) 19,117	(C) 20,843
FY 2019 Board of Commissioners approved projects	-	-	-	-	-	-
FY 2019 CIC approved projects, net of those subsequently approved by the Board	133	-	133	-	-	133
Approved capital projects	(D) 133	(D) -	(D) 133	(D) -	(D) -	(D) 133
Adjustments (FY 2019 board approvals, approved by CIC in FY 2018)	(E) -	(E) -	(E) -	(E) -	(E) -	(E) -
<b>Available for new projects</b>	<b>(C)-(D)-(E) \$ 28,257</b>	<b>(C)-(D)-(E) \$ (31,553)</b>	<b>(C)-(D)-(E) \$ (3,296)</b>	<b>(C)-(D)-(E) \$ 4,888</b>	<b>(C)-(D)-(E) \$ 19,117</b>	<b>(C)-(D)-(E) \$ 20,710</b>
Diagnostic Ultrasound for HHPO	(147)		(147)			(147)
Renovation of Suite 210 in the 201 Building	(91)		(91)			(91)
<b>Available Capital if Proposed Projects are Approved</b>	<b>\$ 28,019</b>	<b>\$ (31,553)</b>	<b>\$ (3,534)</b>	<b>\$ 4,888</b>	<b>\$ 19,117</b>	<b>\$ 20,472</b>

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



**Halifax Health**  
**FY 2019 Capital Budget**  
(in Thousands)

		(A)	(B)	(A) + (B)
		FY 19 Capital Budget	FY 19 Approvals	Remaining Balance
<b>Item</b>	<b>Information Technology</b>			
1	Laptop/Desktop Refresh	\$ 600	\$ -	\$ 600
2	IT Internal Resource Capitalization	500		500
3	IT Enterprise Projects	500		500
4	NAS Hardware Replacement	400		400
5	PBX Room Decommission	400		400
6	WOW Replacements	200		200
7	Security Camera Upgrade to IP	150		150
8	Wireless Upgrade	150		150
9	Enterprise Infrastructure	100	(7)	93
	<b>Total Information Technology</b>	<b>\$ 3,000</b>	<b>\$ (7)</b>	<b>\$ 2,993</b>
<b>Item</b>	<b>Medical Equipment</b>			
10	Siemens Nexaris Angio/CT Oncology Suite Project	\$ 2,500	\$ -	\$ 2,500
11	Echo Cart Replacement (2)	470		470
12	Ventilators (15)	446		446
13	Patient Monitors (6)	350		350
14	EP Ablation System & Mapping Upgrade	350		350
15	Epiphany EKG Data Management System Upgrade	350		350
16	Baxter Pumps (100)	302		302
17	Critical Care Beds (16)	259		259
18	Med/Surg Beds (27)	162		162
19	Portable X-Ray System (1)	160		160
20	Diagnostic Ultrasound Unit Replacement HHPO (1)	148		148
21	Ultrasound Machine (1)	140		140
22	Medical Equipment Emergency Purchases over \$100,000	1,000		1,000
23	Medical Equipment Projects under \$100,000	1,338	(69)	1,269
	<b>Total Medical Equipment</b>	<b>\$ 7,975</b>	<b>\$ (69)</b>	<b>\$ 7,906</b>
<b>Item</b>	<b>Infrastructure/Facilities</b>			
24	T-Zone AHU Replacement	\$ 1,250	\$ -	\$ 1,250
25	Humidifiers	700		700
26	500 Ton Chiller	600		600
27	AHU D Replacement	300		300
28	South Machine Room Heat Exchanger Replacement	175		175
29	Infrastructure Emergency Purchases over \$100,000	1,000		1,000
30	Infrastructure Projects under \$100,000	1,000	(148)	852
	<b>Total Infrastructure/Facilities</b>	<b>\$ 5,025</b>	<b>\$ (148)</b>	<b>\$ 4,877</b>
<b>Item</b>	<b>Hospice Capital Expenditures</b>			
31	Hospice Capital	\$ 300	\$ -	\$ 300
	<b>Total Hospice Capital Expenditures</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 300</b>
<b>Item</b>	<b>Other</b>			
32	Service Expansion	\$ 3,700	\$ -	\$ 3,700
	<b>Total Other</b>	<b>\$ 3,700</b>	<b>\$ -</b>	<b>\$ 3,700</b>
<b>Item</b>	<b>2018 Capital Budget Carryover</b>			
33	Portable X-Ray Systems (5)	\$ 185	\$ (147)	\$ 38
34	Diagnostic Reading Monitors	150		
	<b>Total 2018 Capital Budget Carryover</b>	<b>\$ 185</b>	<b>\$ (147)</b>	<b>\$ 38</b>
	<b>Total HH Capital Expenditures</b>	<b>\$ 20,185</b>	<b>\$ (371)</b>	<b>\$ 19,814</b>

**Halifax Health**  
**FY 2018 and Prior Approved Capital Projects and Expenditures**  
**As of October, 2019**  
**(\$ in thousands)**

	<b>Project Approval Date</b>	<b>Total Carryover and Approved</b>	<b>Spent During FY 2018</b>	<b>HMC Remaining to be Spent</b>
<b>Capital funds required for projects approved in FY 2018 and prior</b>				
Data Center Construction	2/21/2018	\$ 1,959	\$ -	\$ 1,959
Vendor Neutral Archive (VNA) for Enterprise Imaging	8/8/2016	1,474	-	1,474
ROC Renovation	3/21/2018	1,380	-	1,380
CT Scanner - Radiation Oncology	4/18/2018	517	-	517
Roof Replacement, Building B	7/18/2018	505	-	505
Pediatric Telemetry Monitors	12/20/2018	429	-	429
Wound Therapy Units (x13)	5/16/2018	358	-	358
Security Camera System	6/20/2018	349	-	349
Laundry Facility Modification	5/16/2018	327	-	327
Fan Coil Units (FCUs) Connection to Emergency Generator at HHPO	1/17/2018	300	-	300
GI Lab Relocation	10/18/2017	245	-	245
Echo Cart (Ultrasound) with TEE Probe	7/18/2018	222	-	222
IV Pumps	9/5/2017	202	-	202
Professional Development Renovation-3rd Floor Fountain Building	2/21/2018	196	-	196
Storage for Servers & Applications for Parrish	6/20/2018	188	-	188
Port Orange Equipment Refresh	2/17/2016	180	-	180
Fairwarning Patient Privacy System	5/1/2017	156	-	156
Diagnostic Ultrasound for HHPO	8/22/2018	147	-	147
Cath Lab Renovation	8/16/2017	146	-	146
New Smyrna Beach Family Practice-Expansion	9/5/2017	138	-	138
OB Headwalls (x11) Upgrade-2nd Floor Fountain Building	2/21/2018	129	-	129
Desktops (Qty 650) & Laptops (Qty 75)	5/16/2018	123	-	123
Audio Visual Equipment France Tower Rooms A-G & Auditorium	7/18/2018	105	-	105
Subtotal of approved items less than \$100k		929	-	929
<b>Total Capital funds required for projects approved in FY 2018 and prior</b>		<b>\$ 11,591</b>	<b>\$ -</b>	<b>\$ 11,591</b>
<b>FY 2019 Approved Capital Projects</b>				
Work Benches and Refrigerator for ROC Pharmacy	10/17/2018	\$ 49	\$ -	\$ 49
Skull Clamp	10/17/2018	26	-	26
BIS Monitors (Qty 8)	10/17/2018	17	-	17
Office Remodel & Desk for Director's Office	10/17/2018	8	-	8
MD APP Software	10/17/2018	8	-	8
Hysteroscope	10/17/2018	7	-	7
Wipe Test Counter	10/17/2018	5	-	5
Bronchoscope Monitors (Qty 2)	10/17/2018	4	-	4
Surgical Stools (Qty 2)	10/17/2018	4	-	4
Instrument Holder for Mini Valve Procedures	10/17/2018	4	-	4
Vaclok Pump for Oncology	10/17/2018	3	-	3
Subtotal of approved items less than \$50k		133	-	133
<b>Total FY 2019 Other Approved Capital Projects</b>		<b>\$ 133</b>	<b>\$ -</b>	<b>\$ 133</b>
<b>Projects proposed for Board of Commissioners approval</b>				
Diagnostic Ultrasound for HHPO	8/22/2018	\$ 147	\$ -	\$ 147
Renovation of Suite 210 in the 201 Building	8/22/2018	91	-	91
<b>Total Project(s) proposed for Board approval</b>		<b>\$ 238</b>	<b>\$ -</b>	<b>\$ 238</b>

## CAPITAL EXPENDITURES & OPERATING LEASES

Audit & Finance Committee

October 2018

### **Capital Expenditures \$50,000 and over**

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
Negative Pressure Wound Vacuum Units	Nursing	Working Capital	\$357,500
Diagnostic Ultrasound for Halifax Health Port Orange	Radiology Department	Working Capital	\$147,093
Halifax/Brooks Physical Medicine and Rehabilitation Practice Renovation	Halifax Health/Brooks Center for Inpatient Rehabilitation	Working Capital	\$91,000

### **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: Catherine Luchsinger, Vice President and Chief Nursing Officer  
DATE: September 18, 2018  
RE: Negative Pressure Wound Vacuum Units

---

Halifax Health Nursing is requesting funds for the purchase of thirteen negative pressure wound vacuum units.

Negative-pressure wound therapy uses a vacuum dressing to promote healing for acute or chronic wounds. It is also used to enhance the healing of second and third-degree burns. The therapy involves the controlled application of sub-atmospheric pressure to the local wound using a sealed wound dressing connected to a vacuum pump.

Halifax Health currently rents the wound therapy equipment. With this purchase, an annual cost savings of approximately \$242,000 will be achieved.

The project was approved at the Capital Investment Committee meeting on May 16, 2018.

**TOTAL CAPITAL COSTS    \$357,500**



## Halifax Health Project Evaluation

Negative Pressure Wound Vacuum Units	
Senior VP & Chief Operating Officer, Hospitals	Alberto Tineo
Chief Nursing Officer	Catherine Luchsinger
Finance Analysis	Roxanne Edmonds

### Summary

#### Purpose:

The project is for the purchase of thirteen negative pressure wound vacuum units that provide therapy for inpatient wound and abdominal surgery sites. This purchase will eliminate the annual rental cost of the same machine.

#### Strategic Plan Core Competency Achievement:

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

#### Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

#### Investment/Return:

	Investment Cash Flow	Operations Cash Flow	Cumulative Cash Flow
Year 0 <sup>1</sup>	(\$357,500)	\$0	(\$357,500)
Year 1	\$0	\$241,670	(\$115,830)
Year 2	\$0	\$218,270	\$102,440
Year 3	\$0	\$218,270	\$320,710
Year 4	\$0	\$218,270	\$538,980
Year 5	\$0	\$218,270	\$757,250
Terminal Value <sup>2</sup>	\$0	\$0	\$757,250

Decision Metrics	
Required rate of Return	5.5%
Internal Rate of Return (IRR)	57.0%
5 Year Net Present Value (NPV)	\$596,697
Payback Period (in Years)	1.5

Investment Request for Approval **\$357,500**

Estimated useful life  years

<sup>1</sup> Includes capital acquisition and project startup costs

<sup>2</sup> Terminal value is estimated at 0, assumes technology is obsolete after 5 years



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
DATE: September 18, 2018  
RE: Diagnostic Ultrasound for Halifax Health Port Orange

---

Halifax Health Radiology Department is requesting funds to purchase a GE LOGIQ E10 Diagnostic Ultrasound system for Halifax Health Port Orange. The new ultrasound will replace an eight (8) year old ultrasound that is at end of life.

The purchase of the ultrasound will provide a new standard in imaging and workflow ergonomics. New features include scan assist and compare assist. Scan assist is a protocol scanning program that reduces keystrokes resulting in shorter exam times. Compare assist allows the technician to import a patient's prior ultrasound study to compare with a real-time image. Additionally, the new ultrasound is equipped with a vascular enhancement tool that documents red blood cells allowing the radiologist to confidently diagnose carotid stenosis.

The advanced capabilities of the GE LOGIQ E10 will provide a full spectrum of imaging for a wide range of patients.

The project was approved at the Capital Investment Committee meeting on August 22, 2018.

**TOTAL CAPITAL COSTS    \$147,093**



## Halifax Health Project Evaluation

### GE LOGIQ E10 Diagnostic Ultrasound

Senior VP & Chief Operating Officer, Hospitals	Alberto Tineo
Manager, Radiology	Andrea Huffman
Financial Analysis	Roxanne Edmonds

### Summary

#### Purpose:

This project is for the purchase of a GE LOGIQ E10 Diagnostic Ultrasound unit to replace an existing unit at the end of its useful life.

#### 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 **\$147,093**

Estimated Useful Life **5** years

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





# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Astrid Gonzalez Parrilla, Executive Director Rehabilitation Services  
DATE: September 18, 2018  
RE: Halifax/Brooks Physical Medicine and Rehabilitation Practice Renovation

---

Halifax Health/Brooks Center for Inpatient Rehabilitation is requesting funding to renovate Suite 120 in the 201 Building for the Physical Medicine and Rehabilitation Practice. The renovation is needed to accommodate patient demand and promote a more efficient workflow.

The renovation will include the build out of space to accommodate additional staff, relocate an exam room, and upgrade flooring and finishes. The request was approved at the Halifax/Brooks Board of Directors meeting on July 16, 2018.

The project was approved at the Capital Investment Committee meeting on August 22, 2018

**TOTAL CAPITAL COSTS    \$91,000**



## Halifax Health Project Evaluation

### Halifax/Brooks Physical Medicine and Rehabilitation Practice Renovation - Suite 120 in the 201 Building

Senior VP & Chief Operating Officer, Hospitals  
Executive Director, Rehabilitation Services  
Sr. Financial Analyst

Alberto Tineo  
Astrid Gonzalez Parrilla  
Crystal Lue

### Summary

**Purpose:**

In order to accommodate an additional physician to the rehab clinic, (Dr. Cochrane) we will need to build out the space for additional exam rooms, and renovate the Suite 120 in the 201 building.

**Strategic Plan Core Competency Achievement:**

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

**Cornerstone:**

Safety	
Compassion	
Image	X
Efficiency	X

**Investment Request for Approval** \$91,000

**Estimated Useful Life** 15 years

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

**Halifax Health Medical Center**  
**Late Submission Capital Inventory Disposals**  
**October 2018**

The Board hereby deems the following property to be surplus in that: the items are obsolete, their continued use would be uneconomical or inefficient, or they serve no useful function. Disposition of said property is therefore authorized pursuant to Florida Statutes, Chapter 274.

Asset #	Description	Department	Date Purchased	Disposition Status	Original Cost	Book Value
55156	CRRT - DIAPACT SYSTEM	DIALYSIS	02/22/06		25,848.00	-
55157	CRRT - DIAPACT SYSTEM	DIALYSIS	02/22/06		25,848.00	-
55158	CRRT - DIAPACT SYSTEM	DIALYSIS	02/22/06		25,848.00	-
55159	CRRT - DIAPACT SYSTEM	DIALYSIS	02/22/06		25,848.00	-
0031627	THERAPY SIMULATOR SYSTEM - TOSHIBA	ONC SVCS	06/01/84		244,695.00	-
46906	PHILIPS SL18 LINEAR ACCELERATOR	ONC SVCS	03/01/95		995,956.00	-
47012	PHILIPS XRAY GRID	ONCOLOGY	03/21/95		1,133.00	-
47137	BACKUP TRANSMITTER	IT ADMIN	06/10/95		8,765.00	-
59600	VOCERA BADGE B300	PSYCHIATRY	09/24/12		384.01	-
59601	VOCERA BADGE B300	PSYCHIATRY	09/24/12		384.00	-
59602	VOCERA BADGE B300	PSYCHIATRY	09/24/12		384.01	-
56900	CUSTOM PROGRAMMING INTERFACE	CLIENT APPLICATION SERVICES (IT)	07/31/08		3,900.00	-
54185	BLACK METAL KIOSK	CLIENT SERVICES (IT)	12/30/03		4,869.06	-
49726	DIGITAL CABLE ANALYZER DSP4000	IT ADMIN	08/31/01		3,521.14	-
2006047	PBX SYSTEM UPGRADE	IT ADMIN	04/28/06		48,430.61	-
0035286	VOICE RECORDER F/PAGING T	IT ADMIN	01/01/88		1,000.00	-
55212	HICOM PBX RACK SERVER	IT ADMIN	05/15/06		49,889.49	-
55172	PATIENT KEEPER SOFTWARE	IT ADMIN	08/15/05		25,500.00	-
54803	PHONE SYSTEM PBX	IT ADMIN	07/25/05		29,082.01	-
54663	CUSTOM PROGRAMMING TO IMAGING & THERAPEUTIC SOFTWARE	IT ADMIN	05/18/05		2,000.00	-
54445	ECHART PROJECT	IT ADMIN	10/31/04		23,035.45	-
52437	PROJECT - NET RESULTS IMPLEMENTATION	IT ADMIN	06/30/03		42,949.92	-
52436	PROJECT - EGATE IMPLEMENTATION	IT ADMIN	06/30/03		31,157.43	-
52340	WAN	IT ADMIN	02/10/03		1,215.50	-
51570	NORSTAR SYSTEM/W.C./BELLSOUTH	IT ADMIN	11/13/99		1,465.38	-
49806	HARDWARE-CISCO MBPS WIRELESS BRIDGE	IT ADMIN	10/18/01		1,569.00	-
49805	HARDWARE-CISCO MBPS WIRELESS BRIDGE	IT ADMIN	10/18/01		1,569.00	-
49804	HARDWARE-CISCO MBPS WIRELESS BRIDGE	IT ADMIN	10/18/01		1,569.00	-
47011	SOFTWARE-HEAT-UPGRADE #45922	IT ADMIN	03/21/95		4,250.00	-
45922	SOFTWARE-HEAT-HELP DESK SOFTWARE	IT ADMIN	05/02/94		9,995.00	-
43059	PROJECT-FIBERRING 4 SLOT MBPS	IT ADMIN	07/08/92		7,899.00	-
859CHECKPT	CHECK POINT SECURITY MANAGEMENT SOFTWARE	TECHNICAL SVCS	04/01/11		8,852.94	-
60780	CHECK POINT SECURITY EQUIPMENT	TECHNICAL SVCS	03/24/15		4,575.00	-
60779	CHECK POINT SECURITY EQUIPMENT	TECHNICAL SVCS	03/24/15		4,575.00	-
54383	ZOLL DEFIBRILLATOR	EP/PACER	06/29/04		9,883.88	-
0032154	MOBILX BOOK STORAGE FILE SYSTEM	ONC SVCS	05/01/85		22,922.00	-
60359	PLASMA PREP CENTRIFUGE	HEMATOLOGY	11/03/04		1,500.00	-
54649	DI12510	PBFS	02/28/06		2,987.00	-
56324	MINOLTA BIZHUB 350 COPIER W/FINISHER	PBFS	05/15/07		3,160.00	-
47909	AC UNIT - PORTABLE	FACILITY OPERATION	07/22/97		3,400.00	-
48518	ENCLOSURE PREPARATION FUME HOOD	FACILITY OPERATION	05/30/94		13,000.00	-
49411	STRETCHER GYN HAUSTED	FACILITY OPERATION	02/10/98		4,385.00	-
49412	STRETCHER GYN HAUSTED	FACILITY OPERATION	02/10/98		4,385.00	-
49645	CPU GI/PLUM IMAGEMANAGER	FACILITY OPERATION	03/15/00		5,707.25	-
50394	FURNITURE DESK TKOPSHINA	FACILITY OPERATION	02/17/98		1,097.47	-
51036	CPU GI/PLUM IMAGEMANAGER	FACILITY OPERATION	03/15/00		5,707.25	-
51090	12 TRACE WORKSTATION	FACILITY OPERATION	06/02/00		13,437.00	-
0300119	AQUARIUM	POCC	03/16/95		1,960.00	-
55099	LAPTOP DELL D610 108 GHZ/5 12MB	DISASTER PREPAREDNESS	09/21/05		1,470.86	-
59603	VOCERA BADGE B300	ADULT OP MED CLINIC	09/24/12		384.01	-
49301	DINAMAP	ADULT OP MED CLINIC	01/16/98		2,750.00	-
59605	VOCERA BADGE B300	ADULT OP MED CLINIC	09/24/12		384.01	-
59604	VOCERA BADGE B300	ADULT OP MED CLINIC	09/24/12		384.01	-
47092	LASERJET PRINTER FOR HEALTHLINE	MARKETING	04/19/95		1,389.00	-
47093	LASERJET 4 & PRINTER	MARKETING	04/19/95		1,389.00	-
57362	SQL SERVER SOFTWARE	MARKETING	04/30/09		3,478.55	-
49667	NETWORK SWITCHES	IT	11/30/09		297,096.63	-
57040	(14) HIPATH 4000 IT PBX	IT	06/30/09		512,907.27	-
52360	P.O. WIRELESS WAN	IT	04/25/03		74,244.00	-
55175	INTERNET SOFTWARE	IT	03/31/06		58,647.00	-
56971	EDM PROJECT	IT	10/31/08		405,466.12	-
59522	LSS AMBULATORY HER PHYS PRACTICE IMPLEMENTATION	IT	10/01/07		168,944.94	-
56972	PCS PHASE II	IT	10/31/08		168,479.75	-
20078592	LSS PROJECT	IT	10/01/07		957,888.98	-
60627	LEGACY PHONE SYSTEM	IT	06/04/13		31,029.16	14,738.77
59713	LEGACY PHONE SYSTEM CARD	IT	11/13/12		3,201.86	1,334.20
59712	LEGACY PHONE SYSTEM CARD	IT	11/13/12		3,201.86	1,334.20
59711	LEGACY PHONE SYSTEM CARD	IT	11/13/12		3,201.86	1,334.20
59710	LEGACY PHONE SYSTEM CARD	IT	11/13/12		3,201.86	1,334.20
59709	LEGACY PHONE SYSTEM CARD	IT	11/13/12		3,201.86	1,334.20

**Total to be Disposed: \$ 4,463,837.39 \$ 21,409.77**

# Halifax Health Audit & Finance Committee

Request Tracker/Checklist

Meeting Date	Request	Projected Timeline	Frequency of Future Updates/Reports	Completed (Y/N)	Other
8/29/2018	High Level Snapshot of Revenue Cycle Presentation	Will be scheduled	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)

## 2019 Halifax Health Board of Commissioners & Committee Meeting Schedule

All meetings held at 4:00 p.m. (unless otherwise specified) at Halifax Health Medical Center

France Tower Conf. Room A, 303 No. Clyde Morris Boulevard, Daytona Beach, FL

Halifax Health & District Website

halifaxhealth.org

halifaxhealthdistrict.org

Month	Investment Committee	Audit Committee	Finance Committee	Board of Commissioners	BOC Orientation/Education & Closed Strategic Planning
January		1/9/19	1/9/19	1/14/19	
February	3/11/19	2/27/19	2/27/19		2/4/19
March				3/4/19	
April					4/1/19
May	5/13/19	5/1/19	5/1/19	5/6/19	
June		6/26/19	6/26/19		6/3/19
July				7/1/19	
August	8/12/19			TBD - Budget Workshop	8/5/19
September		9/4/19	9/4/19	9/9/19	
				TBD - First Public Hearing	
				TBD - Final Public Hearing	
October		10/30/19	10/30/19		10/7/19
November	11/11/19			11/4/19	
December					12/2/19

**HALIFAX HEALTH MEDICAL CENTER**  
**SCHEDULE OF USES OF PROPERTY TAXES**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2018**

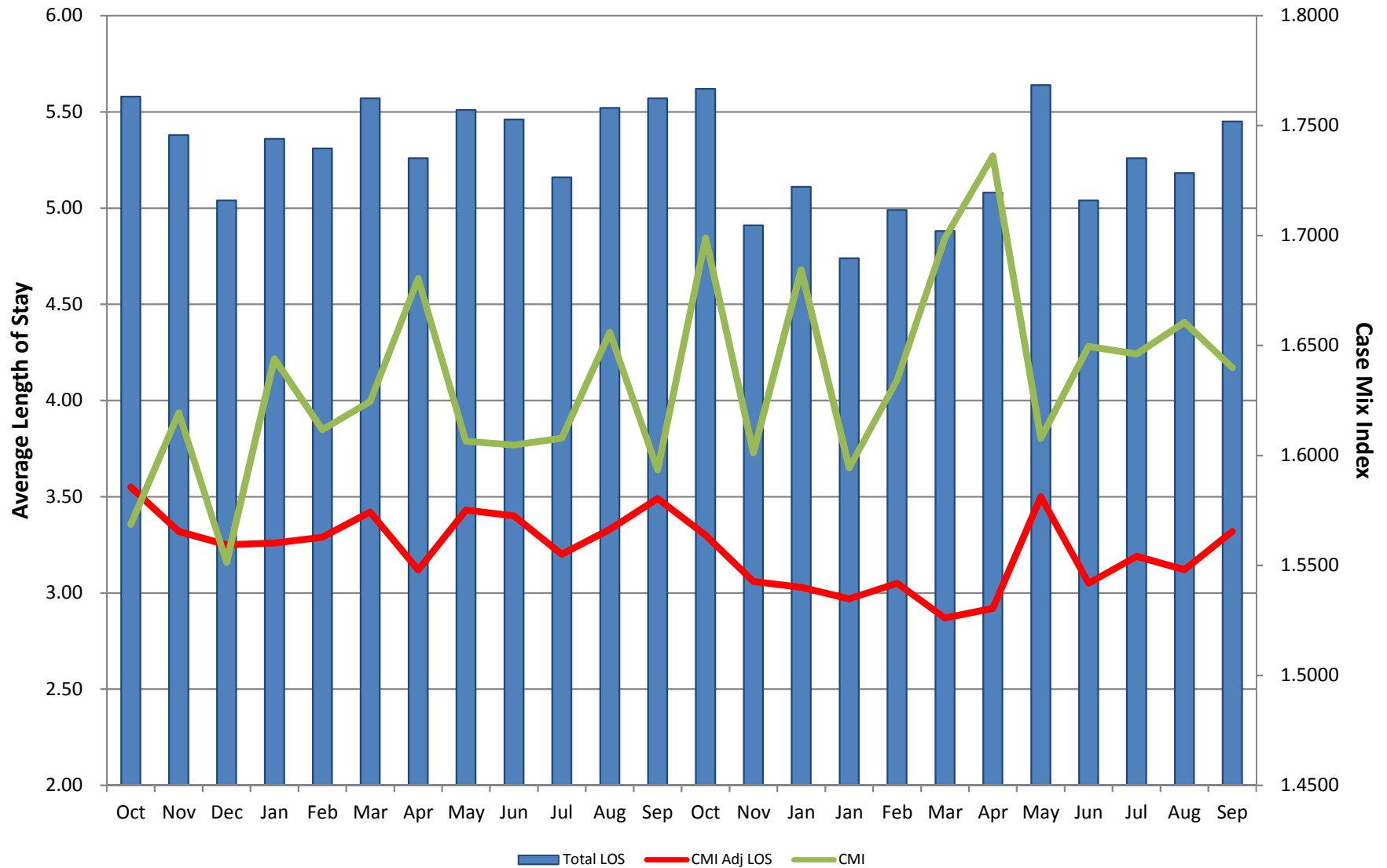
		in mills
Gross property tax levy	\$ 6,048,193	0.3781
Tax discounts and uncollectible taxes	(119,680)	(0.0075)
Net property taxes collected	<u>5,928,513</u>	<u>0.3706</u>
Amounts paid to Volusia County and Cities:		
Tax collector and appraiser commissions	(211,985)	(0.0133)
Volusia County Medicaid matching assessment	(2,995,673)	(0.1873)
Redevelopment taxes paid to Cities	(374,807)	(0.0234)
Subtotal	<u>(3,582,465)</u>	<u>(0.2240)</u>
Net taxes available for community health, wellness and readiness	2,346,048	0.1466
Amounts paid for community health and wellness services:		
Preventive health services (clinics, Healthy Kids, etc.)	(820,239)	(0.0513)
Physician services	(8,812,090)	(0.5509)
Trauma services	(6,044,792)	(0.3779)
Pediatric and neonatal intensive care services	(467,318)	(0.0292)
Child and adolescent behavioral services	(614,243)	(0.0384)
Subtotal	<u>(16,758,682)</u>	<u>(1.0477)</u>
Deficiency of net taxes available to fund hospital operating expenses	(14,412,634)	(0.9011)
Uncompensated care provided by Halifax Health, <i>at cost</i>	<u>(48,238,869)</u>	<u>(3.0156)</u>
Total deficiency of net taxes available to fund hospital operating expenses and uncompensated care provided by Halifax Health, <i>at cost</i>	<u>\$ (62,651,503)</u>	<u>(3.9167)</u>
Proforma tax levy to cover uncompensated care, at cost:		
Gross property tax levy		0.3781
Subsidized uncompensated care costs by operations		<u>3.9167</u>
Equivalent property tax levy expended *		<u><u>4.2948</u></u>

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

# Discharged Based - Average Length of Stay and Case Mix Index

## 24 Months Ended Sep 30, 2018

Excludes Newborns and Inpatient Rehabilitation

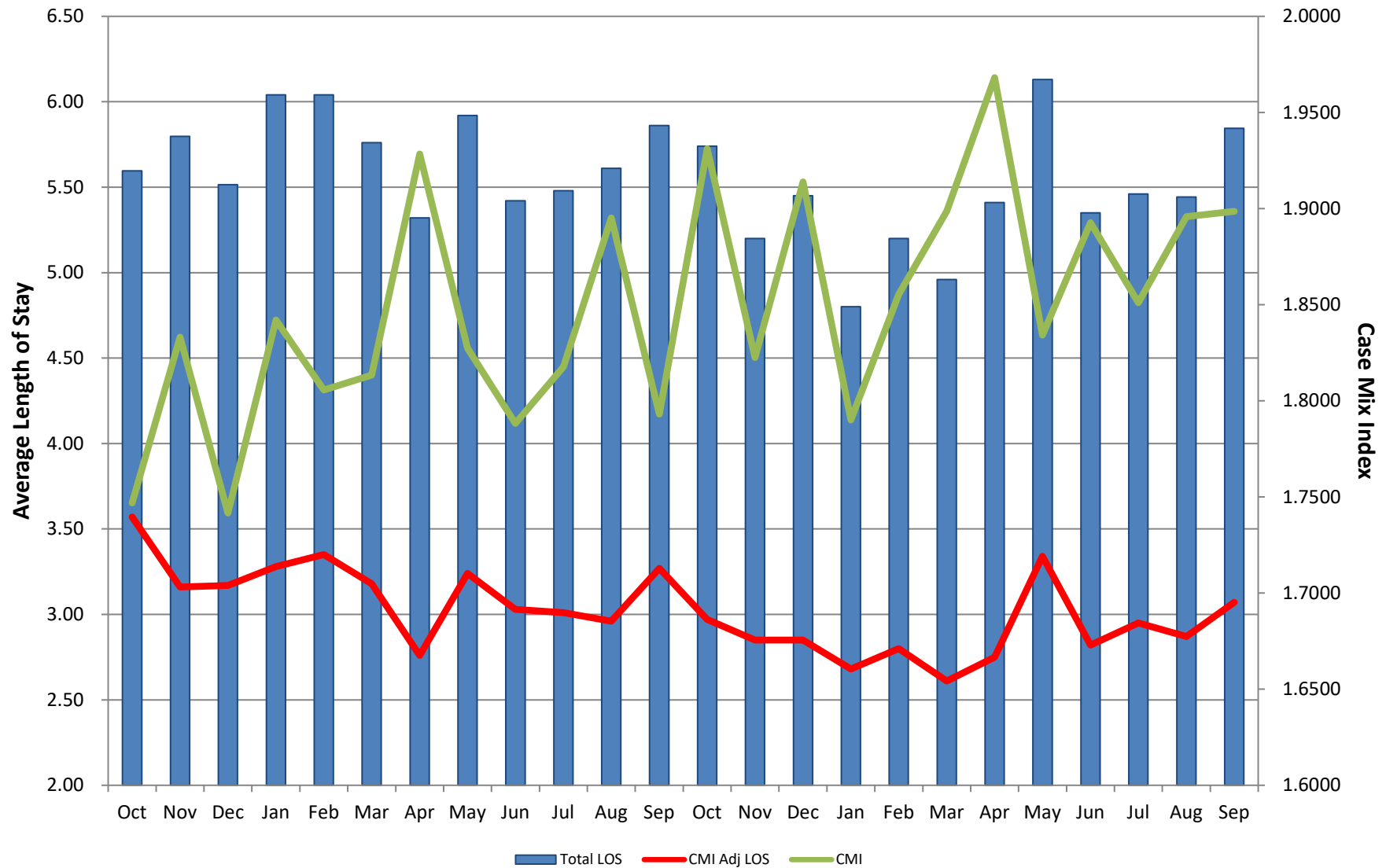




## Discharged Based - Average Length of Stay and Case Mix Index

24 Months Ended Sep 30, 2018

Excludes Newborns, OB, Psych, and Inpatient Rehabilitation



**Halifax Health**  
**Investment Manager Performance Report - through September 30, 2018**

		<b>September Performance</b>	<b>Calendar YTD</b>	<b>Fiscal Year</b>
<b>Fixed Income</b>				
VFSIX - Vanguard Short-Term Investment Gr.	Perf	-0.05%	0.33%	0.38%
	BMK	-0.09%	-0.31%	-0.54%
VSGDX - Vanguard Short-Term Federal	Perf	-0.21%	0.02%	-0.16%
	BMK	-0.28%	-0.21%	-0.60%
VMFXX - Vanguard Federal MM Fund	Perf	0.16%	0.16%	0.16%
	BMK	-0.28%	-0.21%	-0.60%
Ponder Short-term Gov/Corporate - Holdings	Perf	-0.06%	0.81%	0.99%
	BMK	-0.09%	-0.31%	-0.54%
Ponder US Treasury Account - Holdings	Perf	0.10%	1.10%	1.24%
	BMK	-0.28%	-0.21%	-0.60%
Ponder Short-Term Government - HHMC	Perf	-0.03%	0.63%	0.62%
	BMK	-0.28%	-0.21%	-0.60%
Ponder US Treasury Account - HHMC	Perf	0.10%	0.61%	0.61%
	BMK	-0.28%	-0.21%	-0.60%
Ponder US Treasury Account - Foundation	Perf	0.03%	0.47%	0.47%
	BMK	-0.28%	-0.21%	-0.60%
Ponder US Treasury Account - Hospice	Perf	0.03%	0.47%	0.47%
	BMK	-0.28%	-0.21%	-0.60%
Ponder US Treasury Account - Pension	Perf	0.00%	0.44%	0.44%
	BMK	-0.28%	-0.21%	-0.60%
<b>Weighted Composite</b>	<b>Perf</b>	<b>0.02%</b>	<b>0.56%</b>	<b>0.61%</b>
	<b>BMK</b>	<b>-0.24%</b>	<b>-0.27%</b>	<b>-0.69%</b>
<b>Equities</b>				
DFSVX - DFA Small Cap Value	Perf	-3.19%	6.45%	10.61%
	BMK	-2.48%	7.14%	9.33%
DFLVX - DFA Large Cap Value	Perf	0.07%	3.60%	11.34%
	BMK	0.20%	3.92%	9.46%
DFIVX - DFA International Value	Perf	1.76%	-3.34%	1.91%
	BMK	0.78%	-1.50%	2.67%
DFEVX - DFA Emerging Markets	Perf	0.09%	-5.13%	2.37%
	BMK	-0.53%	-7.65%	-0.78%
VGELX - Vanguard Energy	Perf	2.86%	8.14%	15.11%
	BMK	3.50%	8.64%	16.04%
VIGIX - Vanguard Large-Cap Growth	Perf	0.44%	15.51%	22.71%
	BMK	0.56%	17.35%	26.58%
VGHAX - Vanguard Health Care	Perf	1.13%	13.94%	14.59%
	BMK	1.84%	12.54%	13.95%
VSGIX - Vanguard Small-Cap Growth	Perf	-1.34%	16.87%	23.60%
	BMK	-2.34%	15.68%	20.99%
<b>Weighted Composite</b>	<b>Perf</b>	<b>-0.08%</b>	<b>5.47%</b>	<b>11.84%</b>
	<b>BMK</b>	<b>-0.18%</b>	<b>5.87%</b>	<b>11.34%</b>

**Halifax Health**  
**Investment Manager Performance Report - through September 30, 2018**

	<b>Invested Balance</b>	<b>September Performance</b>	<b>Calendar YTD</b>	<b>Fiscal YTD</b>
<b>HH Holdings</b>				
VFSIX - Vanguard Short-Term Invest Grade	\$ 24,240,824	Perf -0.05%	0.33%	0.38%
		BMK -0.09%	-0.31%	-0.54%
Ponder Short-Term Gov't/Corporate	38,384,687	Perf -0.06%	0.81%	0.99%
		BMK -0.09%	-0.31%	-0.54%
Ponder US Treasury Account	71,794,411	Perf 0.10%	1.10%	1.24%
		BMK -0.28%	-0.21%	-0.60%
Total HH Holdings	<u>\$ 134,419,922</u>	Composite Budget	<b>0.02%</b>	<b>0.78%</b>
				<b>1.00%</b>
<b>HHMC</b>				
Ponder Short-Term Government	\$ 42,676,898	Perf -0.03%	0.63%	0.62%
		BMK -0.28%	-0.21%	-0.60%
Ponder US Treasury Account	85,162,456	Perf 0.10%	0.61%	0.61%
		BMK -0.28%	-0.21%	-0.60%
VSGDX - Vanguard Short-Term Federal	0	Perf -0.21%	0.02%	-0.16%
		BMK -0.28%	-0.21%	-0.60%
Wells Fargo Halifax Hospital Trust	499,564	Perf 0.15%	0.65%	0.90%
		BMK -0.28%	-0.21%	-0.60%
Total HHMC	<u>\$ 128,338,918</u>	Composite Budget	<b>0.06%</b>	<b>0.61%</b>
				<b>1.00%</b>

**Halifax Health**  
**Investment Manager Performance Report - through September 30, 2018**

	<b>Invested Balance</b>	<b>September Performance</b>	<b>Calendar YTD</b>	<b>Fiscal YTD</b>
<b>Foundation</b>				
VFSIX - Vanguard Short-Term Invest Grade	\$ 2,393,763	Perf -0.05% BMK -0.09%	0.33% -0.31%	0.38% -0.54%
Ponder US Treasury Account	20,759,420	Perf 0.03% BMK -0.28%	0.47% -0.21%	0.47% -0.60%
VMFXX Vanguard Federal MM Fund	6,232,555	Perf 0.16% BMK -0.28%	0.16% -0.21%	0.16% -0.60%
DFSVX - DFA Small Cap Value	4,135,587	Perf -3.19% BMK -2.48%	6.45% 7.14%	10.61% 9.33%
DFIVX - DFA International Value	2,025,898	Perf 1.76% BMK 0.78%	-3.34% -1.50%	1.91% 2.67%
DFEVX - DFA Emerging Markets	802,038	Perf 0.09% BMK -0.53%	-5.13% -7.65%	2.37% -0.78%
DFLVX - DFA Large Cap Value	9,168,303	Perf 0.07% BMK 0.20%	3.60% 3.92%	11.34% 9.46%
VGELX - Vanguard Energy	289,048	Perf 2.86% BMK 3.50%	8.14% 8.64%	15.11% 16.04%
VIGIX -Vanguard Large-Cap Growth	2,316,628	Perf 0.44% BMK 0.56%	15.51% 17.35%	22.71% 26.58%
VGHAX - Vanguard Health Care	-	Perf 1.13% BMK 1.84%	13.94% 12.54%	14.59% 13.95%
VSGIX - Vanguard Small-Cap Growth	2,841,100	Perf -1.34% BMK -2.34%	16.87% 15.68%	23.60% 20.99%
Total Foundation	<u>\$ 50,964,340</u>	Composite Budget	<b>-0.20%</b> <b>4.22%</b>	<b>7.47%</b> <b>3.50%</b>

**Halifax Health**  
**Investment Manager Performance Report - through September 30, 2018**

<b>Hospice</b>	<b>Invested Balance</b>	<b>September Performance</b>	<b>Calendar YTD</b>	<b>Fiscal YTD</b>
VFSIX - Vanguard Short-Term Invest Grade	\$ 1,563,479	Perf -0.05% BMK -0.09%	0.33% -0.31%	0.38% -0.54%
Ponder US Treasury Account	32,764,868	Perf 0.03% BMK -0.28%	0.47% -0.21%	0.47% -0.60%
DFSVX - DFA Small Cap Value	6,425,404	Perf -3.19% BMK -2.48%	6.45% 7.14%	10.61% 9.33%
DFIVX - DFA International Value	3,528,186	Perf 1.76% BMK 0.78%	-3.34% -1.50%	1.91% 2.67%
DFEVX - DFA Emerging Markets	1,433,361	Perf 0.09% BMK -0.53%	-5.13% -7.65%	2.37% -0.78%
DFLVX - DFA Large Cap Value	12,990,460	Perf 0.07% BMK 0.20%	3.60% 3.92%	11.34% 9.46%
VGELX - Vanguard Energy	766,112	Perf 2.86% BMK 3.50%	8.14% 8.64%	15.11% 16.04%
VIGIX -Vanguard Large-Cap Growth	6,888,493	Perf 0.44% BMK 0.56%	15.51% 17.35%	22.71% 26.58%
VGHAX - Vanguard Health Care	742,642	Perf 1.13% BMK 1.84%	13.94% 12.54%	14.59% 13.95%
VSGIX - Vanguard Small-Cap Growth	6,814,356	Perf -1.34% BMK -2.34%	16.87% 15.68%	23.60% 20.99%
Total Hospice	<u>\$ 73,917,361</u>	Composite Budget	<b>-0.22%</b> <b>3.83%</b>	<b>7.04%</b> <b>3.50%</b>

**Halifax Health**  
**Investment Manager Performance Report - through September 30, 2018**

	<b>Invested Balance</b>	<b>September Performance</b>	<b>Calendar YTD</b>	<b>Fiscal YTD</b>
<b>Pension</b>				
VFSIX - Vanguard Short-Term Invest Grade	\$ 12,513,967	Perf -0.05% BMK -0.09%	0.33% -0.31%	0.38% -0.54%
Ponder US Treasury Account	111,437,912	Perf 0.00% BMK -0.28%	0.44% -0.21%	0.44% -0.60%
DFSVX - DFA Small Cap Value	27,094,290	Perf -3.19% BMK -2.48%	6.45% 7.14%	10.61% 9.33%
DFIVX - DFA International Value	37,526,662	Perf 1.76% BMK 0.78%	-3.34% -1.50%	1.91% 2.67%
DFEVX - DFA Emerging Markets	10,615,786	Perf 0.09% BMK -0.53%	-5.13% -7.65%	2.37% -0.78%
DFLVX - DFA Large Cap Value	25,893,553	Perf 0.07% BMK 0.20%	3.60% 3.92%	11.34% 9.46%
VGELX - Vanguard Energy	11,516,304	Perf 2.86% BMK 3.50%	8.14% 8.64%	15.11% 16.04%
VIGIX - Vanguard Large-Cap Growth	15,601,928	Perf 0.44% BMK 0.56%	15.51% 17.35%	22.71% 26.58%
VGHAX - Vanguard Health Care	11,962,990	Perf 1.13% BMK 1.84%	13.94% 12.54%	14.59% 13.95%
VSGIX - Vanguard Small-Cap Growth	15,791,368	Perf -1.34% BMK -2.34%	16.87% 15.68%	23.60% 20.99%
Wells Fargo Cash	126,785			
Wells Fargo Money Market	16,807			
Total Pension	<u>\$ 280,098,352</u>	Composite Budget	<b>0.03%</b>	<b>2.66%</b>
				<b>5.70%</b>
<b>Total Halifax Health, including Pension</b>	<u><b>\$ 667,738,893</b></u>			<b>6.75%</b>
<b>Total Halifax Health, excluding Pension</b>	<u><b>\$ 387,640,541</b></u>			

# INFORMATIONAL REPORT

October 2018

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

DESCRIPTION	DEPARTMENT	SOURCE OF FUNDS	TOTAL
OneView Hospital Quality Reporting Software	Information Technology	Working Capital	\$49,900
Fire Pump for Halifax Health Port Orange	Facility Operations	Working Capital	\$48,000
Laminar Flow Hoods and Work Benches for Pharmacy	Pharmacy Department	Working Capital	\$45,333

## **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: Arvin Lewis, Senior Vice President and Chief Revenue Officer  
CC: Tom Stafford, Vice President and Chief Information Officer  
DATE: September 18, 2018  
RE: OneView Hospital Quality Reporting Software

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Halifax Health Information Technology is requesting funding to purchase OneView Hospital Quality Reporting software. The purchase also includes an upgrade to the existing OneView Physician Quality package. The addition of the Hospital Quality Reporting package will replace Persivia software that is no longer needed resulting in a savings of \$74,200 in annual maintenance payments.

The OneView software collects accurate and timely electronic clinical quality measures (CQMs) from Athena, Varian/Aria and Meditech. The CQMs are then submitted to Centers for Medicare and Medicaid Services on behalf of Halifax physicians to meet the Merit-based Incentive Payment System and Meaningful Use (MU).

The project was approved at the Capital Investment Committee meeting on August 22, 2018.

**TOTAL CAPITAL COSTS     \$49,900**



## Halifax Health Project Evaluation

### OneView Physician Quality Reporting

Chief Information Officer	Tom Stafford
Manager, IT Project Office	Kevin Noel
Financial Analysis	Roxanne Edmonds

### Summary

#### Purpose:

This project is for the purchase of OneView Hospital Quality Reporting software. The purchase also includes an upgrade to the existing OneView Physician Quality package. The addition of the Hospital Quality Reporting package will replace Persivia software that is no longer needed resulting in a savings of \$74,200 in annual maintenance payments.

#### Strategic Plan Core Competency Achievement:

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

#### Cornerstone:

Safety	X
Compassion	
Image	
Efficiency	X

#### Investment/Return:

	Investment Cash Flow	Operations Cash Flow	Cumulative Cash Flow
Year 0 <sup>1</sup>	(\$49,900)	(\$15,000)	(\$64,900)
Year 1	\$0	\$74,200	\$9,300
Year 2	\$0	\$74,200	\$83,500
Year 3	\$0	\$74,200	\$157,700
Year 4	\$0	\$74,200	\$231,900
Year 5	\$0	\$74,200	\$306,100
Terminal Value <sup>2</sup>	\$0	\$0	\$306,100

#### Decision Metrics

Required rate of Return	7.1%
Internal Rate of Return (IRR)	111.6%
5 Year Net Present Value (NPV)	\$238,785
Payback Period (in Years)	0.9

Investment Request for Approval \$49,900

Estimated Useful Life 3 years

<sup>1</sup> Includes capital acquisition and project startup costs

<sup>2</sup> Terminal value is estimated at 0, assumes technology is obsolete after 5 years



# 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 Construction  
DATE: October 16, 2018  
RE: Fire Pump for Halifax Health Port Orange

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Halifax Health Facility Operations is requesting funds to purchase a fire pump for Halifax Health Port Orange Hospital (HHPO). The fire pump is not operating effectively and is no longer repairable.

The fire pump provides fire suppression for HHPO and is part of the water supply for the fire sprinkler system. The fire pump is used when the pressure in the system drops below a certain threshold.

The project was approved at the Capital Investment Committee meeting on September 19, 2018.

**TOTAL CAPITAL COSTS     \$48,000**



## Halifax Health Project Evaluation

### Fire Pump for Halifax Health Port Orange

Chief Financial Officer	Eric Peburn
Director, Engineering Design Construction	Jacob Nagib
Manager, Facilities Operations	Donald Barnett
Financial Analysis	Roxanne Edmonds

### Summary

**Purpose:**

This project is for the purchase of a new fire pump at Halifax Health Port Orange to replace the existing pump that is not operating effectively and no longer repairable.

**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	X

**Investment Request for Approval** **\$48,000**

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: Alberto Tineo, Senior Vice President and Chief Operating Officer, Hospitals  
CC: Dominick Damiani, Director Pharmacy  
DATE: September 18, 2018  
RE: Laminar Flow Hoods and Work Benches for Pharmacy

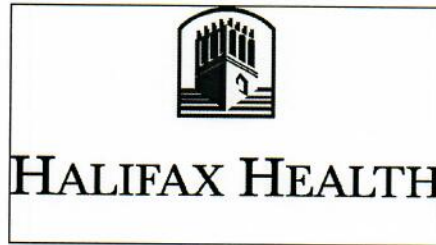
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Halifax Health Pharmacy Department is requesting funds to purchase two (2) laminar flow hoods and associated work benches. The current 20-year old hoods are stationary and are more difficult to properly clean. The new hoods will be placed on casters for easier access to all surfaces. The current laminated work benches will be replaced with stainless steel benches.

The replacement hoods and work benches will ensure a sterile environment to provide the highest quality of compounded medications. In addition, the cabinetry and flooring within the space will be replaced.

The project was approved at the Capital Investment Committee meeting on August 22, 2018.

**TOTAL CAPITAL COSTS    \$45,333**



## Halifax Health Project Evaluation

### Laminar Flow Hoods and Work Benches for Pharmacy

Senior VP & Chief Operating Officer, Hospitals	Alberto Tineo
Director Pharmacy	Dominick Damiani
Project Manager	Jaime Bracero
Financial Analysis	Roxanne Edmonds

### Summary

#### Purpose:

This project is for the purchase of two (2) laminar flow hoods and associated work benches to replace the current hoods that are stationary and difficult to properly clean.

#### 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 \$45,333

Estimated useful life 10 years

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