

Preparing for our next century.



2012 Annual Report



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Message from the President



Last year was a year of great transformation at Halifax Regional. In 2012, our

Medical Center was caught in the middle of healthcare reform where we experienced Medicare payment cuts that now won't be covered by the expansion of North Carolina Medicaid.

We continued our transition from sick care to health care with the completion of our \$6.5 million renovation and expansion of our outpatient and surgical facilities. We also led an initiative that raised over \$650,000 to acquire two of the latest digital mammography machines to diagnose and prevent breast cancer.

But we are continuing to plan for the future. In 2012, the Board of Directors and medical staff assessed our needs for the next five years and measured how healthcare reform will affect us. Our review of partnerships with larger organizations is a result of our commitment to local access and high quality care.

For over 100 years, Halifax Regional has been dedicated to placing patients first. Being your "hometown hospital" comes with great responsibility. Our responsibility is to offer you health care services, but everyone has to choose behaviors that improve their health.

Please join us in our vision for a healthier community.

Technology & Services

- **Bedside Medication Verification Replacement System**
 - Installed a replacement Bedside Medication Verification (BMV) computerized and bar coded medication management system.
- Negotiated purchase and replacement of two new cardiac ultrasound machines.
- **Electronic Medical Records**
 - Implemented the Allscripts Electronic Medical Record in all Medical Center based specialty clinics i.e. GI, Cardiology, Internal Medicine and Rheumatology, and Roanoke and Wildwood Primary Care. New nurse call system.
- **Billing System**
 - Implemented new billing system for Emergency Department physician's charges.
- Completion of upgrade for new Cost Accounting Information System to better allocate indirect expense and improve management information.
- Installed new Nurse Call System with portable phones for improved responsiveness to patients.



Digital Mammography Capital Campaign

- Completed the Medical Center's first capital campaign in 20 years and raised over \$650,000 for Digital Mammography Equipment to improve services to our region.
- **Cardiology**
 - Acquired Twin City Cardiology practice and succeeded Dr. Antony with full time services of Dr. John Puthenveetil and Kim Dang, PA to maintain local cardiology services.

- **Internal Medicine/ Rheumatology**
 - Renovated clinic and was able to succeed retiring internist Dr. William Byrd with Dr. Gamal Tadros, Sarah Massey, NP, and Dr. Fernando Castro.
- Free Ministries transitioned to a Medication Assistance Program working with patients from all practices to obtain medications free or at a lower cost.
- Successfully expanded Hospitalist services, at the request of Halifax Medical Specialists to cover 90% of all medical inpatients.
- Redesigned and reorganized Security Services at Medical Center to expand basic law enforcement trained staff and use of panic buttons for front line staff.
- Performance improvement changes to add Operations Specialists and Pharmacy technician in Emergency Care Center (ECC) to improve patient flow and reduce wait times.
- Designed and implemented process to place mid level provider in ECC at triage area to treat and discharge patients without them ever having to go back to the ECC main treatment areas.
- Installed new Radiology Information System (RIS) for significantly improved management of digital images.
- Hired Community Care pharmacist position to improve patient's personal management of medications.
- Constructed and remodeled a modern new Mammography Center with new Digital Equipment.

Recognition

#1 for Joint Replacement in North Carolina



Dr. Richard Holm

According to a report by The Centers for Medicare and Medicaid Services for total hip and total knee replacement surgery, Halifax Regional Joint Care Center performance rate for complications was lower than the U.S. national rate outperforming thousands of hospitals across the U.S. Among 3,497 hospitals across the U.S., Halifax Regional performed better than the U.S. National rate and had the lowest number of complications in North Carolina.

Joint Commission

Earned The Joint Commission's Gold Seal of Approval® for accreditation by demonstrating compliance with The Joint Commission's national standards for health care quality and safety in hospitals.



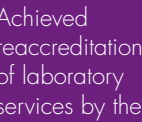
Reaccreditation for Diabetes Education Program

Digital Mammography Accreditation

Achieved reaccreditation for Mammography by the ACR, FDA and State Inspection programs.



Collage of American Pathologists (CAP) with our new Pathology Medical Directors.



Great 100

Last year, five of Halifax Regional nurses were named to North Carolina's Great 100 Nurses, bringing our total to 15 recognized nurses since 2007.



Back Row (left to right): Dawn Bennett, RN (Emergency Care Center), Michael Clay, RN (Emergency Care Center). Front Row (left to right): JoAnne Hoggard, RN (Joint Care Center), Vickie Wells, RN (Joint Care Center), Lisa Cooke, RN (Birthing Center)

Hallmarks of Healthy Workplaces

Recipient of the November 2012 North Carolina Nurses Association (NCNA) Hallmarks of Healthy Workplaces Recognition for creating a positive working environments for nurses in North Carolina



People, Community, Partnership



Transforming our space

- We invested \$6.5 million to complete phase one to implement a Master Facility Plan for Outpatient, Registration, and Surgery construction and renovation project. Improvements include a new patient entrance, additional parking spaces, and a more comfortable and spacious waiting area for patients and families.
- Construction and remodel of Mammography Center



100th Anniversary Celebration

- State Health Director, Dr. Laura Gerald joined members of the community on October 24, 2012 to celebrate and commemorate Halifax Regional's 100th Anniversary. The event was a festive occasion that honored the organizations history and vision for the future.



Communicating with the Community

- To remain transparent with the community and all our stakeholders, President, William Mahone began writing a monthly column in the Daily Herald to share current news and updates.

Voices of the Valley

- The Roanoke Valley Breast Cancer Coalition (RVBCC) offered an informative conference to the community to increase knowledge about disparities in breast cancer incidence and mortality; increase awareness about the significance of early detection; and increase working collectively to address multiple aspects of breast cancer education, treatment, and research. Voices from the Valley Conference also placed emphasis on the breast cancer continuum of care and patient-provider communication

Employee Fundraising

- Employee campaigns rose over \$110,000 for the United Way and the Halifax Regional Foundation.

Nutritional Services

- Removed all fried foods, reduced pricing on healthy food items, sanitary wipes provided with every patient meal

Protecting Our Patients

- We were one of the first hospitals in North Carolina to protect patients from the flu by requiring all employees to take the flu vaccine as a condition of employment.

Environmental Services

- Reduced Environmental Services turnaround time for cleaning and inpatient room from an average of 86 minutes to 60 minutes to improve patient flow and shorten wait times in the Emergency Care Center (ECC).

New Managers



Heather Blythe
Director of Materials Management



Shameka Lloyd
Marketing Manager



Jovita Menefee
Registration Manager



Amy Williams
Manager of Cardiopulmonary Services

Mentorship Program

- Created a Mentorship program for heart failure patients to build their personal support network of friends and family to keep them from needing inpatient care services.

HRMC Volunteer Auxiliary

- Volunteers contributed 12,858.50 hours of dedicated service to the medical center. The financial contribution made by the auxiliary totals \$24,472 in support of allied health education, scholarships, The Halifax Regional Foundation, and gifts made to various departments throughout the medical center.

Relay for Life

- Halifax Regional raised \$17,020 during an 8-week fundraising campaign in support of the American Cancer Society.

Women's Expo

- Medical Center was title sponsor of first Women's Expo and provided community-based physician seminars for joint care, sleep disorders, and gastroenterology.

Talent Management

- Designed and implemented award winning behavioral based interviewing system and revised training and transition program for new RN graduates. This reduced required training time from 14 weeks to 12 weeks.
- Provided three physician practice management seminars for the staff of local physician's practices.
- Recruited experienced nurse disaster trainer and organizationally reviewed all Environment of Care Policies and Procedures prior to approval by The Joint Commission surveyors.
- Continued our relationship with Our Community Hospital in Scotland Neck, NC with collaborations in physical therapy, radiology staff training, and provided guidance with initial steps toward meaningful use stimulus payments.

Patient Feedback

"More often than not in life & business the negative gets the attention. I want to share with you the extremely positive experience I had at HRMC..."

From beginning (registration—6:30 a.m. desk) to end (post-op) I found myself in the hands of medical and support staff that truly embody HRMC's mission to place "patients first" by providing excellent and compassionate healthcare services.

Unfortunately, I don't remember the names of the two ladies at the registration & ACU desk, but I'd like to thank them for their efficient, compassionate handling of moving me through and into the pre-op area. My nurse...was thorough, friendly and had a wonderful way of putting me at ease.

...Please convey to each of these wonderful folks my thanks & appreciation."

New Active Medical Staff



Kim Dang, PA,
Specialty:
Internal Medicine



Kristen Dorsey, MD,
Specialty:
Pediatrics



Sarah Massey, NP,
Specialty:
Family Practice



Nkechinyere Obiefuna, MD,
Specialty:
Internal Medicine

Community Benefit Report

- Implemented a new web based charity care qualification system and realized a 116% increase in the number of our patients who received charity care. An increase in dollars from \$3,017,059 last fiscal year to \$6,522,856 this fiscal year projected, or \$3,505,797.



Financial Statement

In 2012, Halifax Regional experienced a 0.01 percent operating gain or \$9,775. This follows 2011, in which the Medical Center generated a loss of \$265,838. In 2010, the profit was \$2.9 million. Healthcare reform and the declining reimbursements from Medicare and Medicaid make financial planning a challenge.

The primary reasons for the breakeven results in 2012 were higher expenses, lower reimbursements, and an increase of \$3 million in bad debt and charity care from patients who did not pay for services and/or did not or could not pay their deductibles and coinsurance responsibilities. Other factors contributing to the higher expenses were the cost of providing physicians for the community.

Financial Review Year Ending September 30, 2012

Operating Income	\$ 93,533,408
Expenses:	
Salaries and benefits	50,162,752
Supplies	14,772,609
Bad debt	20,936,388
Depreciation on building	3,614,952
Other	24,973,308
Total expenses	\$ 93,523,621

Available for Reinvestment \$ 9,787

Looking Forward, Long-term Plans

We will plan for change and adapt as required. As always, our focus will be on patient care and treatment. Four strategic priorities for the year ahead:

1. Follow the political landscape both nationally and on the state and local levels.
2. Continue to partner with quality organizations to improve our performance.
3. Remain transparent as we continue to partner with physicians and other providers to design new systems for health.
4. Remain transparent as we continue to partner with organizations to assure our financial stability and local access to quality health services.

In all these strategies we will monitor the pace of change in our environment. Our ability to measure the pace of changes occurring, and respond within limited windows of opportunity, is the key to our continued success and stability.

2012 Utilization

Admissions	6,238
Births	657
Emergency visits	40,320
Surgical cases	4,092

Gifts and Grants

Kate B Reynolds—Emergency Department Psych.	\$237,600
Cannon Foundation—Digital Mammography	\$75,000
HRMC Foundation	\$5,739
HRMC Auxiliary.	\$4,500
Halifax Helps—Security.	\$4,555
NC Association of Free Clinics	\$8,000
RV United Way OP Case Management.	\$1,968
RV United Way Meals on Wheels	\$4,722
Community Care Plan of Eastern Carolina—Case Mgt	\$94,889
Duke Foundation	\$100,000
Total Grant Funds Received for 2012	\$596,973

Our Mission

Placing Patients First by providing excellent and compassionate healthcare.

Our Vision

Halifax Regional will be a leading partner in a healthier community.



Board of Directors

Vernon Bryant, *Chairman*

Johnny Draper, *Past Chairman*

Bob Patterson, *Vice Chairman*

Tom Lynch, *Treasurer*

Fannie Greene, *Secretary*

Dr. Somasekhara Balla, *Chief of Staff*

Will Mahone, *President*

Dr. Natarajan Rajan, *Past Chief of Staff*

Ernest L. Barner, *Board Member*

Drewery Beale, *Board Member*

William Hodge, *Board Member*

Evelyn Dawson, *Board Member*

J. Hugh Bazemore, *Board Member*

James Pierce, *Board Member*

Rev. Randy Martin, *Board Member*

Alfred W. Kwasikpui, *Ret. Chief District Court Judge (District 6B) Board Member*

Senior Management

Will Mahone, *President & CEO*

Karen Daniels, *Vice President of Nursing*

Sherry Jensen, *Vice President of Finance & Clinic Operations*

Bruce L. Robistow, *Vice President, Clinical & Support Services*

Jim Wood, *Vice President of Administration & Chief Human Resource Officer*