

Coming together to overcome challenges

Dear Friends,

Halifax Regional completed an exciting year of growth in 2011.

Despite financial pressures that continue to challenge community hospitals in rural areas, we moved forward with a \$6.5 million expansion and modernization of our outpatient services. It is the first major capital project in years and is centered on comfort, convenience, privacy and safety of patients.

Anticipating another major need in the community, the Halifax Regional Foundation began the 2011 Healthcare Initiative, raising funds for digital mammography. It's the first community fundraising activity in many years.

Four physicians joined the medical staff during the year. Two of them are employed by the Medical Center, following a national trend of physicians integrating their services with hospitals. Two others joined private practices, so progress is being made in the important area of recruiting physicians to our community.

We expanded our technology with new hardware and software and installed Electronic Medical Records for the Emergency Care Center. These investments will improve patient care and help prepare us for the changes coming with healthcare reform.

Garnering support from our Board of Directors and the medical staff, we required all employees to have a flu shot to reduce infections acquired in healthcare settings.

Our financial situation continues to be challenging. Our loss of approximately \$250,000 primarily is due to a \$2.7 million increase in bad debt. As a not-for-profit organization, Halifax Regional provides care to patients regardless of their ability to pay. That commitment does not alleviate the responsibility of patients to pay their share of the cost.

We—the community and the Medical Center—are dependent on each other and must work together. A healthy community begins with a healthy hospital.

Mission

Placing *patients first* by providing excellent and compassionate healthcare services.

Vision

Halifax Regional will be the premier source of healthcare services through exceptional customer service, clinical excellence, new technology and modern facilities; and provide continuing support of community health education.

Achievements of 2011

- Began a \$6.5 million renovation and expansion of outpatient services
- Began the 2011 Healthcare Initiative to raise funds for digital mammography
- Became the 11th hospital in North Carolina to require employees to have flu shots
- Completed a \$750,000 investment in technology, expanding both hardware and software to ensure privacy for patients, rapid communications for employees, and to position the Medical Center for healthcare reform
- Installed Electronic Medical Records in the Emergency Care Center
- Purchased an automobile to replace a golf cart to transport handicapped individuals, patients, visitors and employees to the Medical Center and offices on the campus
- Named a "Red Apple" hospital for our commitment to developing and promoting a healthy food environment
- Acquired new equipment for the Sleep Center
- Recruited Rory O'Connor, M.D., a board certified gastroenterologist, developed new GI services in a renovated space in the medical center and branded it the Digestive Health Center
- Recruited Chris Sorensen, M.D., a board certified family physician who is practicing at Roanoke and Wildwood Clinics
- Welcomed two board certified obstetrician/gynecologists, Frank R. LaBarbera, M.D., at Women's Health Specialists, and Robert A. Brown, M.D., at Smith Church Obstetrics & Gynecology



Will Mahone
President & CEO



Vernon Bryant
Chair, Board of Directors



Outpatient Center Patient Area

Our Financial Health

In 2011, Halifax Regional experienced a 0.25 percent operating loss or \$265,838. This follows 2010, in which the Medical Center generated a profit of \$2.9 million. In 2009, the loss was \$917,000.

Healthcare reform and the declining reimbursements from Medicare and Medicaid make financial planning a challenge.

The primary reason for the loss in 2011 is higher expenses, due to an increase of \$2.7 million in bad debt 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 and for contract services that will yield cost efficiencies over time.

Financial Review Year Ending September 30, 2011

Operating Income	\$107,565,245
Expenses:	
Salaries and benefits	49,964,540
Supplies	14,727,214
Bad debt	20,813,389
Depreciation on building	3,395,671
Other	18,933,269
Total expenses	\$107,831,083
Available for Reinvestment	\$ (265,838)

2011 Utilization

Admissions	6,853
Births	624
Emergency visits	39,345
Surgical cases	4,204



Outpatient Center Registration

Outpatient Center Waiting Area



Entrance to Outpatient Waiting Area

Board of Directors

- Vernon J. Bryant**, *Chair*
Retired, Judicial District Manager, Halifax
County Board of Commissioners
- Bob Patterson**, *Vice Chair*
Business Technical Manager, Kapstone
- James Pierce**, *Secretary*
Retired, Kapstone
Halifax County Board of Commissioners
- Tom Lynch**, *Treasurer*
President, Lynch's Office Supply
Lynch's Signs & Graphics
- Natarajan Rajan, M.D.**, *Chief of Staff*
SAI Urology
- William Mahone V**, *President & CEO*
- Johnny Draper**, *Past Chair*
Former Mayor of Weldon
Retired Owner, Draper Communications
- Gerardo Maradiaga, M.D.**
Past Chief of Staff
Halifax Medical Specialists
- J. Hugh Bazemore**
Retired Executive, RBC Centura Bank
- Ernest L. Barner**
Barner & Associates, Inc.
Barner & Associates Real Estate Co.
- Drewery Beale**
Former Mayor of Roanoke Rapids
Retired Police Chief, Roanoke Rapids
- Evelyn Dawson**
Co-owner, BriteSmilz Family &
Community Connections
- Fannie P. Greene**
Administrator, Town of Garysburg
Northampton County Board of
Commissioners

- William Hodge**
Retired General Manager,
Patch Rubber Co.
- Rev. John S. Smith**
Retired Chaplain, Department of Corrections
Pastor, Little Zion Baptist & Bethany
Baptist Churches

Senior Management

- Will Mahone**, President & CEO
- Karen Daniels**, Vice President of Nursing
- Sherry Jensen**, Vice President of Finance



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