

**SOUTH BROWARD HOSPITAL DISTRICT
MINUTES OF BOARD WORKSHOP MEETING
FISCAL YEAR 2026 FINANCIAL PLAN: OPERATING AND CAPITAL BUDGET
APRIL 7, 2025**

A Board Workshop Meeting was held on Monday, April 7, 2025, in the Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312. The meeting began at 2:30 p.m.

The following Commissioners were in attendance:

| | |
|-------------------------|-----------------------|
| Ms. Elizabeth Justen | Chairwoman |
| Mr. Steven Harvey | Vice Chairman |
| Mr. Douglas Harrison | Secretary / Treasurer |
| Ms. Laura Raybin Miller | |

The following Commissioners were absent:

Mr. Brad Friedman
Dr. Luis Orta

The meeting was called to order by Ms. Justen, who noted that public participation is welcome.

Ms. Linda Epstein provided her certification as Interim General Counsel that all public notice legal requirements had been complied with for this meeting.

Mr. Shane Strum, Interim Chief Executive Officer, opened the meeting, called for the purpose of a presentation of the Fiscal Year 2026 Operating and Capital Budgets. Mr. Strum referenced the Capital Workshop held with the Board on February 11, 2025, wherein extensive discussion was held about the various projects in planning for the District. He also noted that the Operating Budget being presented for Board discussion was the highest in the history of the South Broward Hospital District.

Mr. David Smith, Executive Vice President and Chief Financial Officer, began the presentation by thanking members of the Finance and administrative teams throughout Memorial Healthcare System for their hard work to complete the preparation of the budgets for this meeting.

Mr. Smith discussed the budget philosophy and significant assumptions that were taken into consideration in assembling the Fiscal Year 2026 Operating and Capital Budgets.

Mr. Irfan Mirza, Vice President of Corporate Finance, then discussed the volume drivers, changes in revenue and growth, supplemental funding, and expenses related to caring for the expected additional patient activity. The Operating and Capital budgets were reviewed, including projected financial results for FY2025 and FY2026, as well as the major contributors to the bottom-line change. Operating expenses were presented in detail, with robust discussion for each line item.

The Capital Budget for FY2026 was reviewed again, incorporating the changes suggested by the Board at the previous Capital Workshop.

The projected tax budget and uncompensated care and increases in the cost of uncompensated care were discussed.

The Chief Executive Officers of the hospitals then outlined the key priorities for each hospital. The leadership of the Memorial Physician Group, Memorial Primary Care and Urgent Care Centers also outlined their key priorities.

Mr. Smith concluded by reiterating Mr. Strum's opening comments that this is the highest operating budget ever presented for Board approval. He also confirmed that Memorial Healthcare System continues to have a strong balance sheet and operations that support our ongoing financial viability.

Staff then responded to questions from the Board. The Board thanked Mr. Strum and staff for a thorough budget presentation, after which the meeting adjourned at 4:35 p.m.

SOUTH BROWARD HOSPITAL DISTRICT

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE
SOUTH BROWARD HOSPITAL DISTRICT**

INCLUDING REPRESENTATIVES OF THE MEDICAL STAFF OF EACH OF ITS HOSPITALS

March 27, 2025

A Regular Meeting of the Board of Commissioners of the South Broward Hospital District (S.B.H.D.) was held in person, and by video and telephone conference, on Thursday, March 27, 2025, at 5:30 p.m., in the Mediterranean Conference Room, Memorial Hospital Miramar, 1901 SW 172nd Avenue, Miramar, Florida, 33029.

The following members were present:

| | | |
|-------------------------|---------------------|-----------|
| Ms. Elizabeth Justen | Chairwoman | In person |
| Mr. Steven Harvey | Vice Chairman | In person |
| Mr. Douglas Harrison | Secretary Treasurer | In person |
| Mr. Brad Friedman | | In person |
| Dr. Luis Orta | | In person |
| Ms. Laura Raybin Miller | | In person |

1. PUBLIC MEETING CERTIFICATION

Ms. Linda Epstein, Interim General Counsel, confirmed and provided certification that all public notice and open meeting (Sunshine) legal requirements had been complied with for this meeting.

2. CALL TO ORDER

There being a physical quorum present, Ms. Justen called the meeting to order at 5:35 p.m.

3. ROLL CALL

A roll call was taken. All Board members were present in person.

4. PLEDGE OF ALLEGIANCE

At the request of Ms. Justen, Mr. Harvey led the Pledge of Allegiance.

5. PUBLIC COMMENTS

Ms. Justen noted that public participation is welcome, and that this was the only opportunity for members of the public to come forward with any comments. There were no comments from the public.

6. **PRESENTATIONS**

a. **Memorial Hospital Miramar; Mr. Stephen Demers, Chief Executive Officer of Memorial Hospital Miramar**

Mr. Demers welcomed the Board members to Memorial Hospital Miramar, which has been celebrating its 20th anniversary this month, having opened on March 17, 2005.

He gave a presentation on the hospital's first 20 years, highlights of which included the first baby being born just half an hour after the hospital opened, and scenes from the film "Marley and Me" being filmed on site.

He gave details of the hospital's current services, and awards, accreditations, and certifications, and shared photographs of the staff, including the hospital's founding members, celebrating its 20th anniversary.

He ended the presentation by looking ahead to the next 20 years, where the hospital will focus on expansion, and providing destination services to meet the needs of the community.

Ms. Justen congratulated everyone who has been at the hospital over the last 20 years, and thanked Mr. Demers for hosting the Board meeting.

7. **APPROVAL OF MINUTES**

a. **Request Board Approval of the Minutes of the Regular Board Meeting Held on February 27, 2025**

A copy of the Minutes is on file in the Executive Office.

Mr. Friedman ***moved, seconded*** by Mr. Harvey, that:

***THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF
THE REGULAR BOARD MEETING HELD ON FEBRUARY 27, 2025***

The Motion ***carried*** unanimously.

8. **BOARD REGULAR BUSINESS**

a. **Report from the President of the Medical Staff, Memorial Regional Hospital, Joe DiMaggio Children's Hospital, and Memorial Regional Hospital South; Nigel Spier, M.D.**

1) ***Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.***

Nigel Spier, M.D., presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on March 19, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harvey ***moved, seconded*** by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL REGIONAL
HOSPITAL, JOE DIMAGGIO CHILDREN'S HOSPITAL, AND
MEMORIAL REGIONAL HOSPITAL SOUTH**

The Motion **carried** unanimously.

b. Report from the Chief of Staff, Memorial Hospital West; Fausto De La Cruz, M.D.

1) *Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.*

Fausto De La Cruz, M.D., presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on March 10, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL HOSPITAL WEST**

The Motion **carried** unanimously.

c. Report from the Chief of Staff, Memorial Hospital Miramar; Juan Villegas, M.D.

1) *Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.*

Juan Villegas, M.D., presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on March 12, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL HOSPITAL MIRAMAR**

The Motion **carried** unanimously.

2) *Request Board Approval for the Creation of a New Department at Memorial Hospital Miramar: Department of Anesthesiology, with the Appointment of Clint Christensen, D.O., as Department Chief, and Marisol Perales, M.D., as Department Vice Chief*

Holly Neville, M.D., Chief Physician and Associate Chief Medical Officer for Memorial, reported that this request is being made, as the number of full time staff has reached

a total of 32. She confirmed that the request has been approved by the Bylaws Committee, and the Medical Executive Committees at each facility.

Dr. Neville took questions, confirming that Memorial Hospital Pembroke and Memorial Regional Hospital South do not have independent Anesthesiology departments. She further confirmed that some of the hospitals do not have enough Anesthesiology staff to warrant the creation of a department at this stage; however, this could change if the numbers increase in the future.

Mr. Harvey *moved, seconded* by Mr. Friedman, that:

**THE BOARD OF COMMISSIONERS APPROVES FOR THE
CREATION OF A NEW DEPARTMENT AT MEMORIAL
HOSPITAL MIRAMAR: DEPARTMENT OF
ANESTHESIOLOGY, WITH THE APPOINTMENT OF CLINT
CHRISTENSEN, D.O., AS DEPARTMENT CHIEF, AND
MARISOL PERALES, M.D., AS DEPARTMENT VICE CHIEF**

The Motion *carried* unanimously.

d. **Report from the Chief of Staff, Memorial Hospital Pembroke; Narendra Upadhyaya, M.D.**

1) ***Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.***

In the absence of Narendra Upadhyaya, M.D., Fausto De La Cruz, M.D., presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on March 13, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harvey *moved, seconded* by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL HOSPITAL
PEMBROKE**

The Motion *carried* unanimously.

e. **Financial Report; Mr. David Smith, Executive Vice President and Chief Financial Officer**

1) ***Request Board Approval of the Financial Report for the Month of February 2025***

Mr. Smith presented the financial report for the month of February 2025, and took questions.

Dr. Orta *moved, seconded* by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
FINANCIAL REPORT FOR THE MONTH OF FEBRUARY 2025**

The Motion ***carried*** unanimously.

f. Legal Report; Ms. Linda Epstein, Interim General Counsel, MHS

Ms. Linda Epstein confirmed there was nothing to report this month.

9. REPORTS TO THE BOARD; REPORTS FROM BOARD OFFICERS AND STANDING COMMITTEES

a. Contracts Committee Meeting Held on March 17, 2025; Mr. Steven Harvey, Chairman

Mr. Harvey presented the Minutes of the Contracts Committee Meeting held on March 17, 2025, a copy of which is on file in the Executive Office. Mr. Whaley, Interim Chief Operating Officer, then gave details of the individual contracts, and took questions.

1) Request Board Approval of the New Physician Employment Agreement between Michael Kader, M.D., for Neurosurgery Services, and South Broward Hospital District

Mr. Friedman ***moved, seconded*** by Ms. Miller, that:

***THE BOARD OF COMMISSIONERS APPROVES THE NEW
PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN
MICHAEL KADER, M.D., FOR NEUROSURGERY SERVICES,
AND SOUTH BROWARD HOSPITAL DISTRICT***

The Motion ***carried*** unanimously.

2) Request Board Approval of the New Physician Employment Agreement between Maria Pilar Gutierrez, M.D., for Medical Director, Pediatric Infectious Disease Services, and South Broward Hospital District

Mr. Friedman ***moved, seconded*** by Ms. Miller, that:

***THE BOARD OF COMMISSIONERS APPROVES THE NEW
PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN MARIA
PILAR GUTIERREZ, M.D., FOR MEDICAL DIRECTOR,
PEDIATRIC INFECTIOUS DISEASE SERVICES, AND SOUTH
BROWARD HOSPITAL DISTRICT***

The Motion ***carried*** unanimously.

3) Request Board Approval of the New Physician Employment Agreement between Robert Reid, M.D., for Medical Director, Infection Control / Antibiotic Stewardship Program Services, and South Broward Hospital District

Mr. Friedman ***moved, seconded*** by Ms. Miller, that:

***THE BOARD OF COMMISSIONERS APPROVES THE NEW
PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN
ROBERT REID, M.D., FOR MEDICAL DIRECTOR, INFECTION***

**CONTROL / ANTIBIOTIC STEWARDSHIP PROGRAM
SERVICES, AND SOUTH BROWARD HOSPITAL DISTRICT**

The Motion *carried* unanimously.

- 4) ***Request Board Approval of the New Physician Employment Agreement between Nitin Sharma, M.D., for Urology Services, and South Broward Hospital District***

Mr. Friedman *moved, seconded* by Ms. Miller, that:

**THE BOARD OF COMMISSIONERS APPROVES THE NEW
PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN NITIN
SHARMA, M.D., FOR UROLOGY SERVICES, AND SOUTH
BROWARD HOSPITAL DISTRICT**

The Motion *carried* unanimously.

- 5) ***Request Board Approval of the Renewal Physician Employment Agreement between Christopher DeMassi, M.D., for Chief, Adult Neurosurgery and Neurosciences (MHS) Services, and South Broward Hospital District***

Mr. Friedman *moved, seconded* by Ms. Miller, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT
BETWEEN CHRISTOPHER DEMASSI, M.D., FOR CHIEF,
ADULT NEUROSURGERY AND NEUROSCIENCES (MHS)
SERVICES, AND SOUTH BROWARD HOSPITAL DISTRICT**

The Motion *carried* unanimously.

- 6) ***Request Board Approval of the Renewal Physician Employment Agreement between Tarek Zakaria, M.D., for Chief, Adult Neurology, and Medical Director, Epilepsy Programs Services, and South Broward Hospital District***

Mr. Friedman *moved, seconded* by Ms. Miller, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT
BETWEEN TAREK ZAKARIA, M.D., FOR CHIEF, ADULT
NEUROLOGY, AND MEDICAL DIRECTOR, EPILEPSY
PROGRAMS SERVICES, AND SOUTH BROWARD HOSPITAL
DISTRICT**

The Motion *carried* unanimously.

- 7) ***Request Board Approval of the Minutes of the Contracts Committee Meeting Held on March 17, 2025***

Ms. Miller *moved, seconded* by Mr. Friedman, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
MINUTES OF THE CONTRACTS COMMITTEE MEETING
HELD ON MARCH 17, 2025**

The Motion **carried** unanimously.

b. Finance Committee Meeting Held on March 17, 2025; Ms. Elizabeth Justen, Chairwoman

Ms. Justen presented the Minutes of the Finance Committee Meeting held on March 17, 2025, a copy of which is on file in the Executive Office. Mr. Veda Rampat, Vice President and Treasurer, then gave details of the items discussed at the meeting, and took questions.

Mr. Rampat confirmed that a final Board Motion would be brought back to a subsequent Finance Committee Meeting, regarding the Retirement Plan's Global Equity Manager Review, after the Legal Department had concluded its review of the Investment Policy Statement changes and Investment documents. This Motion would then be brought to the next Regular Board Meeting.

Ms. Miller congratulated Mr. Rampat on the very impressive portfolio.

1) *Request Board Approval of the Required Changes to the Operating Fund Investment Policy Statement in Connection with the Recommendation to Split the Intermediate Fixed Income Mandate into Separate Intermediate Treasury and Credit Mandates*

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
REQUIRED CHANGES TO THE OPERATING FUND
INVESTMENT POLICY STATEMENT IN CONNECTION WITH
THE RECOMMENDATION TO SPLIT THE INTERMEDIATE
FIXED INCOME MANDATE INTO SEPARATE INTERMEDIATE
TREASURY AND CREDIT MANDATES**

The Motion **carried** unanimously.

At the request of Mr. Harrison, Mr. Alfredo Avalos, Senior Director of Security, gave an overview of the security presentation which was given at the Finance Committee Meeting.

2) *Request Board Approval of the Minutes of the Finance Committee Meeting Held on March 17, 2025*

Mr. Friedman **moved, seconded** by Ms. Miller, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
MINUTES OF THE FINANCE COMMITTEE MEETING HELD
ON MARCH 17, 2025**

The Motion **carried** unanimously.

c. Building Committee Meeting Held on March 18, 2025; Mr. Brad Friedman, Chairman

Mr. Friedman presented the Minutes of the Building Committee meeting held on March 18, 2025, a copy of which is on file in the Executive Office.

Mr. Friedman reported that the bid award recommendation would be deferred to the next Building Committee meeting, in order to correct a scrivener's error.

1) Request Board Approval of the Minutes of the Building Committee Meeting Held on March 18, 2025

Mr. Harvey *moved, seconded* by Ms. Justen, that:

***THE BOARD OF COMMISSIONERS APPROVES THE
MINUTES OF THE BUILDING COMMITTEE MEETING HELD
ON MARCH 18, 2025***

The Motion *carried* unanimously.

10. REPORT OF SPECIAL COMMITTEES

None.

11. ANNOUNCEMENTS

None.

12. UNFINISHED BUSINESS

None.

13. NEW BUSINESS

None.

14. PRESIDENT'S COMMENTS

Mr. Strum began by wishing Ms. Miller a very Happy Birthday.

He began his presentation by reporting on Memorial Hospital Miramar's 20th Anniversary celebrations. The first baby born after the hospital opened, after only 33 minutes, returned to help celebrate the anniversary, together with nurses, physicians, and founding staff members. A video of the celebrations was shown, and he congratulated Mr. Demers on the milestone. He also reported on the Interventional Radiology Laboratory ribbon cutting ceremony, which formed part of the pre-meeting tour of the hospital.

He paid tribute to Enrique Gongora, M.D., former Medical Director of Memorial's Adult Heart Transplant and Mechanical Circulatory Support Program at the Memorial Cardiac and Vascular Institute, who passed away in November 2024.

He reported on the groundbreaking ceremony for Memorial's Freestanding Emergency Department in Miramar, which took place on March 25, 2025. Randy Katz, D.O., Medical Director of Emergency

Services at Memorial, then spoke of the importance of the Emergency Department to service the growing population in an area where there are not many other facilities, and how this will free up the Emergency Departments in the hospitals. He noted how Memorial's competitors are building and the need for us to stay competitive in the market. He was happy to see the project moving forward, and anticipated around 30,000 patients in the first year. Mr. Strum then showed a video of the groundbreaking ceremony.

He congratulated Atif Hussein, M.D., Medical Director for Oncology Cancer Research at the Memorial Cancer Institute, who has successfully secured a grant for \$1.3M for Glioblastoma early detection and precision therapy research. Dr. Hussein then spoke about his work as an Oncology Physician, and the department's continued application for funding, and thanked Mr. Strum for his support and assistance. Mr. Strum voiced his appreciation for Dr. Hussein and his team, and for Dr. Hussein's passion for his work.

He recognized various staff who have received awards and achieved milestones, including the Memorial Rehab Sharks Wheelchair Basketball Team, which has qualified for the National Division One Wheelchair Basketball Championship Series.

He gave details of finance and growth for each of Memorial's hospitals, and for the System, which showed an increase in patient visits and revenue over the prior year.

He ended his presentation by showing a video of a terminally ill patient at Memorial Hospital West, who married his partner of 25 years at the hospital days before he passed. With just an hour's notice, the staff bought flowers and a cake, and made a dress from a tablecloth and a veil from napkins. He commended the staff for their compassion, and for fulfilling the patient's greatest wish.

15. CHAIRWOMAN'S COMMENTS

Ms. Justen allowed the other Board members to give their comments first.

She thanked Mr. Strum for assisting Memorial with the two Freestanding Emergency Departments and the "Better Together" initiative, which she opined demonstrated his commitment to Memorial. She noted his vision for growth and expansion.

She congratulated Mr. Strum on receiving the Becker's Healthcare Great Leaders in Healthcare Award, and presented him with a framed newspaper article regarding his appointment as Interim Chief Executive Officer of Memorial Healthcare System.

She thanked Mr. Demers, Ms. Kimberly Carlo, Executive Assistant, Ms. Yazmin Roman Montes, Administrative Assistant, and the administrative team from Memorial Hospital Miramar for hosting the meeting. She also thanked Chef Peter Kersley and his catering team for the dinner, and the IT team for their ongoing support of the meetings.

She confirmed that the next Regular Board meeting will take place at 3111 Stirling Road in the Perry Board Room, on Wednesday, April 23, 2025.

Finally, she confirmed that the Board members take their job very seriously, and dedicate time out of their days to perform what is required of them. She added that they are part of the Memorial family and are doing everything they can to make Memorial a better System.

16. COMMISSIONERS' COMMENTS

Dr. Orta thanked the staff at Memorial Hospital Miramar for hosting the Board meeting, and congratulated them on the 20th anniversary. He addressed the changes at Memorial and how this was affecting some staff. He brought a message of peace and encouraged the Executive team to come up with some viable solutions to the situation.

Mr. Friedman thanked Dr. Hussein for his passion for his work, and Mr. Strum for his leadership. He also thanked Dr. Neville, Dr. Katz, and Alvaro Visbal, M.D., Medical Director of Critical Care Medicine at Memorial. He addressed the changes at Memorial and asked everyone to remember that its physicians are the foundation of the System.

Ms. Miller thanked everyone for their hard work, in particular Mr. Whaley and Ms. Epstein for giving so much of their time to Memorial. She asked Mr. Strum to ensure that the community was made aware of the Freestanding Emergency Departments. She thanked everyone for her birthday card and cake and for Memorial Hospital Miramar's hospitality.

Mr. Harrison echoed the sentiments of the other Board members who had spoken. He thanked and congratulated Dr. Hussein for securing the \$1.3M grant. He introduced Mr. Andrew Fernandez, Corporate Client Technology Manager, to the Board, and thanked him for his assistance with his laptop. He congratulated City of Miramar Commissioner Avril Cherasard and Fire Chief Jermaine McFarlane on their recent appointments. He addressed the changes at Memorial and stated he trusted the process, and totally supported Mr. Strum. He confirmed that Joe DiMaggio Children's Hospital will not be closed. He noted how Mr. Frank Sacco, former President and Chief Executive Officer of Memorial, had tried to bring the two Districts together, and he hoped that in the future he would be able to receive healthcare within the North Broward Hospital District. In addition, he reminded everyone that anyone can now build in Broward County, as the Certificate of Need ('CON') law no longer existed. He opined that within our geographical area, we have a golden opportunity to work together. Finally, he passed on his thanks to Mr. Aurelio Fernandez, Interim Chief Executive Officer of Memorial Regional Hospital, Mr. Whaley, Mr. Demers, and Ms. Felica Turnley, Chief Executive Officer of Memorial Hospital Pembroke. He also thanked the entire staff for their hard work.

Mr. Harvey addressed the changes at Memorial and asked that everyone trust the process. He confirmed that this was not being approached in a frivolous way, and that the Compliance and Internal Audit Department was monitoring this. He stated that it was important to look at efficiency and tough decisions had to be made.

17. ADJOURNMENT

There being no further business to come before the Board, Ms. Justen declared the meeting adjourned at 7:39 p.m.

THE BOARD OF COMMISSIONERS OF THE SOUTH BROWARD HOSPITAL DISTRICT

BY: _____
Elizabeth Justen, Chairwoman

ATTEST: _____
Douglas Harrison, Secretary Treasurer



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

MHS Bylaws Committee Proposed Revision

Executive Summary for Board of Commissioners – February 2025

The following item requires review and approval. Note that all items have been approved by the Bylaws Committee, the Medical Executive Committees at each facility, and the general medical staff at large, as required.

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1. Bylaws:

- A. Community Affiliate Status - Revisions to remove requirements that status applies only to *current* members of the medical staff wishing to downsize practice, and delineation that certain regulatory items would not be required for this status. **RATIONALE:** Accommodate extension of practices who will not meet encounter/Focused Professional Practice Evaluation (FPPE) requirements (Wellington, Naples, etc.); accommodate local physicians who desire MHS affiliation for health plan/referral purposes, support industry transitions to Outpatient practice. This is essentially a membership without privileges.

BYLAWS:

Proposed Revision – Medical Staff Category

~~Community~~ Affiliate Staff

- A. ~~Community~~ Affiliate Staff members are those ~~Active~~ members of the Medical Staff who maintain an office practice and wish to ~~remain~~ be affiliated with the hospitals ~~in which the staff member currently has privileges and is in good standing, do not admit patients or perform inpatient procedures,~~ but do not desire hospital privileges.
- B. The ~~Community~~ Affiliate Staff consists of ~~Active~~ Medical Staff members who fulfill all the requirements of Section 4.2, with the exception of Section 4.2(G). ~~Community~~ Affiliate Staff members are not required to meet the minimum patient encounter requirements in Section 5.3.E.
- C. ~~Community~~ Affiliate Staff members shall maintain a role in the management of his or her patient, which shall be limited to the following: refer and follow ~~evaluating and advising~~

~~on~~ the care of the patient. The ~~Community~~ Affiliate Staff member will have read only access to ~~hospital~~ medical records.

- D. ~~Community~~ Affiliate Staff members shall not be eligible to admit patients, write orders ~~or progress notes~~, vote, or hold office. They ~~may serve on standing committees as non-voting member~~. ~~Community~~ Affiliate Staff members shall be required to pay Medical Staff dues.
- E. ~~Affiliate staff members shall be exempt from the requirements for routine Focused Professional Practice Evaluation (FPPE), routine Ongoing Professional Practice Evaluation (OPPE), Hospital Orientation, and educational and health requirements of hospital-based practitioners.~~
- E. ~~Community~~ Affiliate Staff members who wish to ~~return-transfer to~~ the Active Staff category must satisfy the requirements of Section 3.2 and Articles 4, 5 and 6 as applicable.

Key to references to Bylaws items:

- 4.2 refers to qualifications for membership, including education, training, licensure, etc. 4.2G refers to maintenance of residence/primary office located within reasonable travel time of the hospitals.
- 5.3E refers to encounter volume requirements
- 3.2 described the requirements to achieve Active staff status (membership and clinical privileges)
- Articles 4, 5 and 6 detail the requirements for membership, procedures for appointment and reappointment and clinical privileges.



April 16, 2025

Ms. Elizabeth Justen
Chairwoman
Board of Commissioners
South Broward Hospital District

Dear Ms. Justen:

The Executive Committees of the Medical Staff met on these dates:

- Memorial Regional Hospital (MRH) and Joe DiMaggio Children's Hospital (JDCH) on April 16, 2025
- Memorial Hospital West (MHW) on April 14, 2025
- Memorial Hospital Pembroke (MHP) on April 10, 2025
- Memorial Hospital Miramar (MHM) on April 9, 2025

All committees made a recommendation to accept the report of the Credentials Committee as follows:

That the following applicants be approved for membership as indicated:

| New Applicant Name | Specialty (Sponsor) | Status | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|---------------------------|--|--------|----------|----------|----------|-----|----------|---------|---------------------|
| Amjad, Ibrahim Hosain, MD | Plastic Surgery | Active | On Staff | On Staff | On Staff | X | On Staff | 2 years | |
| Cameron, Blaine Simon, MD | Pain Medicine | Active | X | | | | | 2 years | |
| Chen, Yu APRN, CRNA | Nurse Anesthetist (Dr. Kiesha Raphael) | APP | X | X | X | X | X | 2 years | |
| Cross, Jacob, Thomas, MD | Family Medicine (Virtualist) | Active | X | | | | | 2 years | |

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| New Applicant Name | Specialty (Sponsor) | Status | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-----------------------------------|---|--------|----------|----------|----------|----------|----------|---------|---|
| Diaz, Emily Marie, APRN | Physical Medicine & Rehabilitation (Drs. Joanne Delgado-Lebron; Jackson Cohen; Ivor Nugent; Ian Miller; Robert Klecz; Janice Cohen; Jeremy Jacobs; David Valdes; Breonna Holland; Raul Rolon Torres; Theophila Semanoff; Reed Yaras; Lauren Cuenant; Sarah Pastoriza & Neenu Cherian) | APP | X | X | | | | 1 year | Recommend one year initial appointment with FPPE. |
| Erickson, Vanessa, APRN, CRNA | Nurse Anesthetist (Dr. Kiesha Raphael) | APP | X | X | X | X | X | 2 years | |
| Escobar, Luis Alcides, MD | Pain Medicine | Active | On Staff | X | | | | 2 years | |
| Fernandez, Thalia, AA | Anesthesiology Assistant (Dr. Kiesha Raphael) | APP | X | X | X | X | X | 2 years | |
| Franco, Edson, MD | Transplant Surgery | Active | On Staff | X | X | X | On Staff | 2 years | |
| Gaines, Holly Lynn, MD | Cardiovascular Disease | Active | | X | | | | 2 years | |
| Galia, Danielle Marie, APRN, CRNA | Nurse Anesthetist (Dr. Richard Elf) | APP | X | X | X | X | X | 2 years | |
| Greenberger, Benjamin Aaron, MD | Radiation Oncology | Active | X | X | X | X | X | 2 years | |
| Hernandez-Rodriguez, Yoel A., MD | Internal Medicine | Active | X | On Staff | On Staff | On Staff | | 2 years | |

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| New Applicant Name | Specialty (Sponsor) | Status | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------------|--|--------|-----|-----|-----|-----|----------|---------|---------------------|
| Jawaid, Asif, DO | Cardiovascular Disease | Active | X | | | | | 2 years | |
| Kaddour, Abderrahmen Larbi, MD | Diagnostic Radiology | Active | X | X | X | X | X | 2 years | |
| Knoblauch, Meta Susan, APRN | Neonatal Perinatal Medicine (Drs. Cherie Foster; Mesfin Afework; Yasser Al-Jebawi; M Auerbach; Sharell Bindom; Gianina Davila; Cristian Esquer; Ruxandra Faraon-Pogaceanu; Vicki Johnston; Doron Kahn; Angela Leon Hernandez; Lester Mc Intyre; Estela Pina; Claudia Ocampo-Chih; Bruce Schulman; Max Shenberger; Mona Tabbara; Flavio Soliz; Pablo Valencia & Mariela Rosado) | APP | | X | | X | X | 2 years | |
| Konner, Marcus Lawrence, DO | Diagnostic Radiology | Active | X | X | X | X | X | 2 years | |
| Ramirez, Ron, MD | Family Medicine | Active | | X | | | | 2 years | |
| Reyes III, Francis Solis, RRA | Registered Radiologist Assistant (Dr. Benjamin Freedman) | AHP | X | X | X | X | X | 2 years | |
| Rivasplata Vignolo, Estephania, PA | Neonatal Perinatal Medicine (Dr. Ruxandra Faraon-Pogaceanu) | APP | | X | | X | X | 2 years | |
| Robison, Taylor Gabrielle, DO | Pediatrics | Active | X | X | | X | On Staff | 2 years | |

| New Applicant Name | Specialty (Sponsor) | Status | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-------------------------|------------------------------------|--------|----------|----------|-----|-----|----------|---------|---------------------|
| Solomon, Gabriela, APRN | Pain Medicine (Dr. Nancy Erickson) | APP | X | X | X | X | | 2 years | |
| Sotolongo, Roberto, MD | Internal Medicine | Active | | X | | | | 2 years | |
| Vijay, Adarsh, MD | Transplant Surgery | Active | On Staff | On Staff | X | X | On Staff | 2 years | |
| Zelfman, Mikhail, DO | Family Medicine | Active | X | | | | | 2 years | |

That the following applicants for reappointment be approved as indicated:

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|-------------------------------------|----------|--------|--------|--------|--------|--------|---------|--|
| Abbasi MD, Nuzhat Aziz | Internal Medicine | 5/1/2025 | | Active | | | | 2 years | |
| Abid MD, Farhan | Nephrology | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Adams DO, Kenneth Paul | Ophthalmology | 5/1/2025 | | Active | | Active | Active | 2 years | |
| Aguilar PA, Manuela Magaly | Emergency Medicine (Dr. Louis Jane) | 5/1/2025 | | | APP | | | 2 years | |
| Alvarado MD, Anel | Surgery | 5/1/2025 | | Active | Active | Active | | 2 years | |
| Ambroise, Margia Ferrer, | Pediatrics (Newborn Nursery) | 5/1/2025 | | Active | | Active | Active | 1 year | Recommend one year reappointment pending |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-----------------------------------|---|----------|--------|--------|--------|--------|--------|---------|--|
| MD | Only) | | | | | | | | completion of FPPE. Due to a recent change in newborn nursery privilege criteria, practitioner must now have an observation period of 15 patient encounters, as opposed to 30, with a credentialed member of the medical staff with pediatric newborn nursery privileges, who must verify their competency. |
| Anderson PA, Janice Cora | Emergency Medicine (Drs. Adam Rubin & Donny Perez) | 5/1/2025 | APP | | | | | 2 years | |
| Ansari-Lari MD, PHD, Mohammad Ali | Anatomic and Clinical Pathology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |
| Areopagita MD, Jesse Natividad | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Azoubel PA, Cynthia Lorraine | Emergency Medicine (Drs. Steven Katz & Juan Villegas) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Benhayon Lanes MD, Daniel Alberto | Electrophysiology | 5/1/2025 | Active | Active | Active | | Active | 2 years | Due to patient care need in assisting with the treatment of |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|--|----------|--------|--------|-----|--------|--------|---------|--|
| | | | | | | | | | pediatric patients with congenital cardiac issues, Committee recommended to exempt Dr. Benhayon Lanes from pediatric encounters. |
| Bennett DO, Richard S | Pediatrics | 5/1/2025 | | | | | Active | 2 years | |
| Birman MD, Alex | Obstetrics and Gynecology | 5/1/2025 | Active | | | | | 2 years | Recommend two year reappointment with additional privileges for: Endometrial Ablation--NovaSure Procedure. |
| Birriel-Cardona MD, Jose A | Pediatric Pulmonology | 5/1/2025 | | | | | Active | 2 years | |
| Bivins MD, Megan Clifton | Pediatrics | 5/1/2025 | | | | | Active | 2 years | |
| Blanco APRN, Luis Manuel | Surgical Assistant (Dr. Farid Assouad) | 5/1/2025 | | AHP | | | | 2 years | |
| Blum MD, David Ari | Orthopedic Surgery | 5/1/2025 | | Active | | | | 2 years | |
| Bou Nemer MD, Laurice | Reproductive Endocrinology | 5/1/2025 | | | | Active | | 2 years | |

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| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|----------------------------------|---|----------|--------|--------|-----|--------|--------|---------|---|
| Brautbar MD, Ariel Shlomo | Medical Genetics | 5/1/2025 | Active | Active | | Active | Active | 2 years | |
| Calixto PA, Ana Lizeth | Oncology and Hematology (Dr. Matthew Taub) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Caplan PA, Michael Gregory | Emergency Medicine (Dr. Randy Katz) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Cauff MD, Brian Eric | Pediatric Hematology & Medical Oncology | 5/1/2025 | Active | Active | | Active | Active | 2 years | |
| Chapman-Leccesse PA, Melissa Lee | Pediatric Orthopedic Surgery (Dr. Stephen Storer) | 5/1/2025 | APP | | | APP | APP | 2 years | |
| Chery MD, Stevenson Brisson | Family Medicine | 5/1/2025 | Active | | | | | 2 years | |
| Chittiprol PHD, Seetharamaiah | Clinical Scientist (Dr. Artur De Rangel Filho) | 5/1/2025 | AHP | AHP | AHP | AHP | AHP | 2 years | |
| Clough APRN, Catherine Ann | Emergency Medicine (Dr. Louis Jane) | 5/1/2025 | | | APP | | | 2 years | Recommend two year reappointment. Discontinue invasive privileges pending completion of CRM Course. |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-----------------------------------|--|----------|--------|--------|--------|--------|--------|---------|--|
| Dauerman PA, Robyn Diana | Gynecology & Female Pelvic and Reconstructive Surgery (Drs. Jennifer Pollak & Jessica Buck Ritch) | 5/1/2025 | | APP | APP | | | 2 years | |
| De La Flor RNFA, Leonel Sebastian | Surgical Assistant (Dr. Robert Rothfield) | 5/1/2025 | | AHP | | AHP | | 2 years | |
| Ditcheck MD, Jordan Jay | Diagnostic Radiology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |
| D'Ugard, Esteban Claudio | Surgical Assistant | 5/1/2025 | AHP | AHP | AHP | | | 2 years | |
| Dupuy DO, Gladys | Obstetrics and Gynecology | 5/1/2025 | | | | Active | | 2 years | |
| Egozi MD, Leon | Surgery | 5/1/2025 | Active | | | | | 2 years | Recommend two year reappointment with additional privileges as follows: Sentinel lymph node biopsy, lymphatic mapping; SAVI Scout & (Endoscopic Transthoracic Sympathectomy- not on current DoP) |

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| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-------------------------------------|--|----------|--------|--------|--------|--------|--------|---------|---|
| Escorcia APRN, Julissa Jimenez | Pediatric Cardiology (Drs. Maximo Aguirre & Katelyn Snyder) | 5/1/2025 | | APP | | APP | APP | 2 years | |
| Farnsworth APRN, Brigitte Elizabeth | Neurology (Dr. Tarek Zakaria) | 5/1/2025 | APP | APP | | | | 2 years | |
| Fields MD, Tricia Charlene | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Figueroa CCP, Darien | Perfusionist (Dr. Juan Plate) | 5/1/2025 | AHP | | | | AHP | 2 years | |
| Fridman PA, Mark Aaron | Pediatric Otolaryngology/Head and Neck Surgery (Dr. Samuel Ostrower) | 5/1/2025 | | APP | | | APP | 2 years | |
| Friefeld MD, Richard Stuart | Obstetrics and Gynecology | 5/1/2025 | | | | Active | | 1 month | Recommend one month reappointment pending completion of peer review at MHM. |
| Gadh DO, Ruchika Thapar | Family Medicine | 5/1/2025 | | Active | | | | 2 years | |
| Garcia De Viera MD, Jocelyn | Pediatric Cardiology | 5/1/2025 | | | | | Active | 2 years | |
| Garcia MD, Berenice A | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|---------------------------------|--|----------|--------|--------|--------|--------|--------|---------|--|
| Giraldo APRN, Vanessa | Internal Medicine (Dr. Fausto De La Cruz) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Gitelmaker, Dimitri, MD | Internal Medicine | 5/1/2025 | Active | | | | | 1 year | Recommend one year reappointment pending increased patient encounter volume to allow a review of quality data. |
| Goldberg MD, Lester Roy | Diagnostic Radiology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |
| Goldberger APRN, Tatiana Rendon | Pediatrics (Drs. Robert Casey; Angelica Parra; Robin Chaize; Jasset Maragh; Jessica Molokie; Scott Lazar; Leah Regenbaum; Megan Bivins; Marie Silencieux-Cineas & Lindsay Weiss) | 5/1/2025 | | | | | APP | 2 years | |
| Gomez PA, Johnny Edward | Internal Medicine (Dr. Robert Perry) | 5/1/2025 | | APP | | | | 2 years | |
| Griffis MD, Stacie | Family Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | Recommend two year reappointment with additional privileges for: Care of patient with acute stroke (MHW) |

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| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|--------------------------------|--|----------|--------|--------|--------|--------|--------|---------|---------------------|
| Grodin PSYD, Lauren Kimberly | Psychology | 5/1/2025 | | | | | Active | 2 years | |
| Hall APRN, Anne Marie Gillia | Pediatric Emergency Medicine (Dr. Heidi Cohen) | 5/1/2025 | | APP | | APP | APP | 2 years | |
| Harris PA, Shatril | Gynecology and Female Pelvic & Reconstructive Surgery (Drs. Jennifer Pollak; Jessica Ritch & Laura Martin) | 5/1/2025 | | APP | APP | | | 2 years | |
| Higgins MD, Calvin Constantine | Internal Medicine | 5/1/2025 | | Active | Active | Active | | 2 years | |
| Highfield APRN, Jennifer Mary | Pediatric Critical Care Medicine (Dr. Jason Adler) | 5/1/2025 | | | | | APP | 2 years | |
| Hussein MD, Atif Mahmoud | Oncology and Hematology | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Ibrahim MD, Bassel Badie | Interventional Cardiology | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Iuchy PA, Aleksandra | Neonatal Perinatal Medicine (Drs. Doron Kahn; Mesfin Afework; Yasser Al-Jebawi; M Auerbach; Sharell | 5/1/2025 | | APP | | APP | APP | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-------------------------------|---|----------|-----|-----|-----|-----|------|---------|--|
| | Bindom; Gianina Davila; Cristian Esquer; Cherie Foster; Vicki Johnston; Lester McIntyre, Estela Pina; Bruce Schulman; Mona Tabbara; Flavio Soliz; Pablo Valencia; Angela Leon Hernandez; Mariela Sanchez Rosado; Claudia Ocampo-Chih; Ruxandra Faraon & Max Shenberger) | | | | | | | | |
| Jackson APRN, Yalonda Nachole | Neurosurgery, Pediatric Neurosurgery & Vascular Interventional Neurology (Drs. Christopher DeMassi; Brandon Davis; Clinton Burkett; Dean Hertzler II; Daniel Aghion; Simon Buttrick; Luis Romero; Laurence | 5/1/2025 | APP | APP | APP | APP | APP | 2 years | Recommend two year reappointment and relinquishment of privileges as follows: Obtain arterial blood sample; Removal of venous or arterial sheath; Application and removal of splint or cast; Splinting and immobilization of fractures & Function as surgical first assistant to the supervising |

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| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|--|----------|-----|-----|-----|-----|------|---------|---|
| | Davidson; David Smolar; Amanda Kwasnicki; Norman Ajiboye & Brijesh Mehta) | | | | | | | | physician(s) in credentialed procedure. |
| Jacob APRN, Riya | Cardiovascular Disease (Drs. Juan Brenes; Julio Peguero Moreno; Minaba Wariboko; Chao-wen Lee; Anand Desai; Alvaro Vargas Pelaez; Ethan Siev; Alian Aguila; Michael Entenberg; Jayant Nath & Paola Casanova) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Jacobson PA, Mitchell | Surgical Assistant (Dr. Farid Assouad) | 5/1/2025 | AHP | AHP | AHP | | | 2 years | |
| Jacques APRN, Jessica Anne | Oncology and Hematology (Drs. Brian Hunis; Paul Entler; Luis Raez; Pablo Ferraro; Gelenis Domingo; Brian Pico; Jennifer Zikria; Manuel Martinez; Daren Grosman; Meri Muminovic; Jesus | 5/1/2025 | APP | APP | APP | APP | | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|----------------------------------|---|----------|--------|--------|-----|-----|------|---------|---|
| | Fabregas Mercado; Frederick Wittlin; Atif Hussein; Michel Vulfovich; Matthew Salzberg; Marcelo Blaya; Adriana Milillo Naraine; Aurelio Castrellon; Delia Guaqueta Segura & Alejandra Ergle) | | | | | | | | |
| Johnson PA, Lauren | Pediatric Orthopedic Surgery (Dr. Randolph Cohen) | 5/1/2025 | APP | | | APP | APP | 2 years | |
| Jorge-Rodriguez MD, Natalie | Family Medicine | 5/1/2025 | | Active | | | | 2 years | Recommend two year reappointment and additional privileges for: 1) Core Privileges Ambulatory Primary Care-Pediatrics; and 2) Core Privileges for Virtualist. |
| Jules MD, Clinton | Internal Medicine | 5/1/2025 | Active | | | | | 2 years | |
| Kallstrom APRN, Nicole Catherine | Pediatric Critical Care Medicine (Dr. Jason Adler) | 5/1/2025 | | | | | APP | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-------------------------------------|---|-------------|------------|------------|------------|------------|---------------------|-------------|----------------------------|
| Kanaroglou MD, Androniki | Pediatric Urology | 5/1/2025 | | | | | Community Affiliate | 2 years | |
| Kandinov MD, Lev David | Obstetrics and Gynecology | 5/1/2025 | Active | | | | | 2 years | |
| Kelegama MD, Ana Dilukshi | Family Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Kim MD, Peter | Critical Care Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Kohlsaas AA, Christine Jennifer | Anesthesiologist Assistant (Dr. Cameron Howard) | 5/1/2025 | APP | APP | APP | APP | APP | 2 years | |
| Korenge MD, Mark Michael | Anesthesiology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |
| Lacson PA, Philip | Pulmonary Disease (Dr. Waddah Allaf) | 5/1/2025 | APP | | | | | 2 years | |
| Landman MD, Jaime | Pediatric Allergy & Immunology | 5/1/2025 | Active | | | | Active | 2 years | |
| Le MD, Quang Thanh | Dermatology | 5/1/2025 | | Active | | | | 2 years | |
| Lovera MD, Karen Adriana | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-------------------------------------|---|-------------|------------|------------|------------|------------|-------------|-------------|---|
| Lugo-Arendell MD, Luis Horacio | Internal Medicine | 5/1/2025 | | Active | | Active | | 2 years | |
| Madrigal APRN, Jose Javier | Cardiovascular Disease (Dr. Yale Cohen) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Marshall APRN, Odette M | Neurosurgery & Pediatric Neurosurgery (Drs. Christopher DeMassi; Simon Buttrick; Daniel Aghion; Brandon Davis; Clinton Burkett; Luis Romero; David Smolar; Dean Hertzler & Amanda Kwasnicki) | 5/1/2025 | APP | APP | APP | APP | APP | 2 years | |
| Mathias PA, Naicka D | Medical Genetics (Drs. Roman Yusupov, Raiza Exantus & Ariel Brautbar) | 5/1/2025 | APP | | | | APP | 2 years | |
| Mazza AA, Lucia | Anesthesiologist Assistant (Dr. Kiesha Raphael) | 5/1/2025 | APP | APP | APP | APP | APP | 2 years | |
| McCusker CCP, Ryan P | Perfusionist (Dr. Juan Plate) | 5/1/2025 | AHP | | | | AHP | 1 month | Recommend one month reappointment pending completion of CRM |

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| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|---|----------|--------|--------|--------|--------|--------|---------|---------------------|
| | | | | | | | | | Course. |
| Mendez DO, Jose Edward | Family Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Merilien APRN, Esther | Hematology (Dr. Foluso Ogunsile) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Miller PA, Matthew David | Surgical Assistant (Dr. Farid Assouad) | 5/1/2025 | AHP | AHP | AHP | | | 2 years | |
| Minars MD, Norman | Dermatology | 5/1/2025 | Active | | | | | 2 years | |
| Molokie MD, Jessica | Pediatrics | 5/1/2025 | | | | | Active | 2 years | |
| Montes MD, Aldo Ray | Internal Medicine | 5/1/2025 | | Active | Active | | | 2 years | |
| Mora Tejeda APRN, Iris | Internal Medicine (Dr. Fausto De La Cruz) | 5/1/2025 | | APP | | | | 2 years | |
| Murillo APRN, Adiene Caridad | Oncology and Hematology (Dr. Aurelio Castellon) | 5/1/2025 | APP | APP | | | | 2 years | |
| Mussary MD, Jordan | Pediatrics | 5/1/2025 | | | | | Active | 2 years | |

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| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|-------------------------------------|---|----------|--------|--------|--------|--------|--------|----------|---|
| Puello APRN, Karen | Surgery (Drs. Davis Horkan; Hector Pombo & Alberto Iglesias) | 5/1/2025 | APP | APP | APP | APP | | 2 years | |
| Rafuls APRN, Alejandro | Surgical Assistant (Dr. Farid Assouad) | 5/1/2025 | AHP | AHP | AHP | | | 2 years | |
| Reid APRN, CRNA, Andrene Rose Marie | Anesthesia (Dr. Kiesha Raphael) | 5/1/2025 | APP | APP | APP | APP | APP | 2 years | |
| Reis MD, PHD, Gerald Feliz | Anatomic and Clinical Pathology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |
| Reiss MD, Lawrence Michael | Cardiovascular Disease | 5/1/2025 | Active | Active | Active | | | 2 years | |
| Reinherz DO, Benjamin Jeremy | Ophthalmology | 5/1/2025 | Active | | | | | 3 months | Recommend three month reappointment pending completion of CRM course. |
| Reyes Padilla MD, Alvaro Abel | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Riordan PA, Krysten Ann | Orthopedic Surgery and Sports Medicine (Drs. Daniel Chan; James MacKenzie; Marvin Smith; Geden Franck; Giorgio | 5/1/2025 | APP | | | APP | | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|--|----------|--------|--------|--------|--------|--------|---------|--|
| | Negron; Alex Fokin Jr.; Eduardo Natal-Albelo; Matthew Avery & Alexander Nguyen) | | | | | | | | |
| Rodriguez MD, Victor Luis | Anesthesiology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | Recommend two year reappointment with additional privileges for: Perioperative Point-of-Care Ultrasound (POCUS) |
| Rojas MD, Janina Elizabeth | Pediatrics | 5/1/2025 | | | | Active | | 2 years | |
| Rothstein DO, Jeffrey | Family Medicine | 5/1/2025 | Active | | | | | 2 years | |
| Salsbury MD, Helen Margaret | Obstetrics and Gynecology | 5/1/2025 | | | | Active | | 2 years | |
| Scaria APRN, Sujamol | Advanced Heart Failure and Transplant Cardiology (Drs. Namita Joseph; Priyanka Gosain; Miguel Castro; Iani Patsias & Mariella Velez-Martinez) | 5/1/2025 | APP | APP | APP | APP | | 2 years | Recommend two year reappointment and relinquishment of privileges as follows: Performance of cardiopulmonary stress test and exercise testing. |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|----------------------------------|---|----------|--------|--------|--------|--------|--------|---------|---|
| Siddiqui DO, Imran Uddin | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Siegel DDS, Marc Alan | Dentist | 5/1/2025 | | Active | | Active | Active | 2 years | Recommend two year reappointment and relinquishment of privileges as follows: Endodontics & Periodontics Specialist |
| Simmonds APRN, Marcia L Williams | Vascular and Interventional Radiology (Drs. Charles Myers; Richard Baker III; Anastas Nenov; Amer Naiem; Michael Cohn; Sami Lewin; Federico Bengoa; Steven Doukides; Michael Rainisch; Oscar Garcia-Fraga; David Epstein & Daniel Mir) | 5/1/2025 | APP | | | | APP | 2 years | |
| Sinicrope DO, Pasquale | Emergency Medicine | 5/1/2025 | | Active | | | | 2 years | |
| Sole DO, Keila | Pediatrics | 5/1/2025 | | Active | | Active | Active | 2 years | |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|--|----------|--------|--------|--------|--------|--------|---------|--|
| Sterling MD, Glenn Barry | Dermatology | 5/1/2025 | | Active | | | | 2 years | |
| Szymanski CNIM, Erica Lauren | Neurointraoperative Monitorist (Dr. Jason Soriano) | 5/1/2025 | AHP | AHP | AHP | | AHP | 2 years | |
| Tello MD, Edna Lillian | Pediatrics | 5/1/2025 | | | | | Active | 2 years | |
| Thomas PA, Zachary Purnell | Surgical Assistant (Dr. Farid Assouad) | 5/1/2025 | AHP | AHP | AHP | | | 2 years | |
| Urgiles MD, Susana Cristina | Internal Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Velarde MD, Sylvia Katherine | Obstetrics and Gynecology | 5/1/2025 | | Active | | | | 2 years | Recommend two year reappointment. Discontinue robotic surgical privileges for failing to meet robotic case criteria, reporting 6 out of 20 robotic cases. Proctoring of cases for Use of Morcellator remains pending, granted 10/3/2024. |
| Villar DO, Ann-Margaret C | Pediatrics | 5/1/2025 | | Active | | Active | Active | 2 years | Recommend two year reappointment with additional privileges |

| Reappointment Applicant Name | Specialty (Sponsor) | Date | MRH | MHW | MHP | MHM | JDCH | Term | Action by Committee |
|------------------------------|--|----------|--------|--------|--------|--------|--------|---------|--|
| | | | | | | | | | for: Limited to Normal Newborn Nursery ONLY Committee also accepted request to relinquish privileges for: Core Privileges in General Pediatrics |
| Walker MD, Janice Renee | Family Medicine | 5/1/2025 | Active | Active | Active | Active | | 2 years | |
| Walker-Prendergast PA, Troy | Surgical Assistant (Dr. Farid Assouad) | 5/1/2025 | AHP | AHP | AHP | | | 2 years | |
| Williams DPM, Marie L | Podiatry | 5/1/2025 | Active | | | | | 2 years | |
| Wu MD, Timothy Peter | Dermatology | 5/1/2025 | Active | | | | | 2 years | |
| Younes MD, Souhad Boutros | Anatomic and Clinical Pathology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |
| Zuluaga Toro MD, Tania | Anatomic and Clinical Pathology | 5/1/2025 | Active | Active | Active | Active | Active | 2 years | |

That the following changes in privileges for lack of Crew Resource Management Training Course be approved:

| Practitioners Name | Specialty (Sponsor) | Appointment Date | Expirable Date | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|--------------------|---------------------|------------------|----------------|-----|-----|-----|-----|------|---------------------|
|--------------------|---------------------|------------------|----------------|-----|-----|-----|-----|------|---------------------|

| Practitioners Name | Specialty (Sponsor) | Appointment Date | Expirable Date | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|-------------------------------|---------------------------------------|------------------|----------------|-----|-----|-----|-----|------|--|
| Avila, Karen, APRN | Orthopedic Surgery | 1/20/2025 | 4/1/2025 | X | X | | X | | Discontinue invasive privileges pending completion of CRM training course. |
| Draben, Lether Celeste, APRN | Pediatric Cardiology | 1/20/2025 | 4/1/2025 | X | | | | X | Discontinue invasive privileges pending completion of CRM training course. |
| Elguera, Elizabeth Denise, MD | Obstetrics and Gynecology | 1/20/2025 | 4/1/2025 | | X | | X | | Discontinue invasive privileges pending completion of CRM training course. |
| Maas, Austin James, CCP | Perfusionist | 1/20/2025 | 4/1/2025 | X | | | | | Discontinue invasive privileges pending completion of CRM training course. |
| Torre, Carlos Andres, MD | Otolaryngology/ Head and Neck Surgery | 1/20/2025 | 4/1/2025 | X | X | X | X | | Discontinue invasive privileges pending completion of CRM training course. |

That the following requests for changes, additions or relinquishment of privileges be approved:

| Name | Specialty (Sponsor) | Request | Privilege | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|-----------------------|--|------------|--|-----|-----|-----|-----|------|---------------------|
| Aguilar, Wendy P APRN | Surgical Oncology (Drs. Natasha Rueth; Heather Wright; Aeisha Rivers & Erica Bloomquist) | Additional | Prescribe/order controlled substances (DEA required) | X | X | | | | Recommend approval. |

| Name | Specialty (Sponsor) | Request | Privilege | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|--------------------------------------|---|------------|--|-----|-----|-----|-----|------|---------------------|
| Antenor, Roodlyne Kimberly, PA | Endocrinology, Diabetes and Metabolism (Dr. Amy Aronovitz) | Additional | Prescribe/order controlled substances (DEA required) | X | | | X | | Recommend approval. |
| Fernandez, Jennifer, APRN | Urology (Dr. Jonathan Silberstein) | Additional | Prescribe/order- controlled substances (DEA required) | X | X | | | | Recommend approval. |
| Saka, Fiorella Jahaira, APRN | Neurology (Drs. Mhd Zakaria; Seth Tarras; Maike Blaya; Sean Kenniff; Mohammed Qureshi; Noureldin Abdelhamid & Fawad Yousuf.) | Relinquish | Medical/Surgical DOP Privileges | X | X | | | | Recommend approval. |
| Saka, Fiorella Jahaira, APRN | Employee Health (Dr. Marc Shapiro) | Additional | Employee Health Privileges: Obtain medical histories and perform physical examinations on applicants and employees & conduct clinical assessments of employees with | | | | | | Recommend approval. |

| Name | Specialty (Sponsor) | Request | Privilege | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|------------------------------|--|------------|----------------------------------|-----|-----|-----|-----|------|---------------------|
| | | | illness or injury. | | | | | | |
| Selesky, Shari Elaina, PA | Trauma Surgery (Dr. Andrew Rosenthal) | Relinquish | PA- Trauma Surgery privileges | X | | | | X | Recommend approval. |
| Sutton, Tracy Lee, APRN | Employee Health (Dr. Barbara Coplowitz) | Relinquish | APRN- Employee Health privileges | X | X | X | X | | Recommend approval. |

Please be advised that these applicants for appointment and reappointment were processed through the Board approved Credentialing Procedure that meets and exceeds the requirements of Florida Statute 395.011, and the standards of The Joint Commission.

The Executive Committees also accepted the following recommendations for changes in staff status as indicated:

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|--------------------------------|--------------------------------------|--|--------|--------|--------|----------|------|--|
| Austin, Carol, Christine, APRN | Pain Medicine (Dr. Adam Shestack) | Automatic Termination of membership and privileges. No longer providing services in MHS effective 2/26/2025. | APP | APP | APP | APP | | Automatic Termination of membership and privileges. No longer providing services in MHS effective 2/26/2025. |
| Blanco, Cy Raymond, MD | Pain Medicine | Request resignation effective 2/26/2025. | Active | Active | Active | Active | | Accepted resignation effective 2/26/2025. |
| Bou Nemer, Laurice, MD | Reproductive Endocrinology | Request resignation at MHW only, | | Active | | On staff | | Accepted resignation at MHW only, |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|---------------------------------------|---|--|------------------------|------------------------|-----|-----|--------|--|
| | | effective 8/18/2023. | | | | | | effective 8/18/2023. |
| Bustamante Rivas, Carlos I., MD | Infectious Disease | Request resignation effective 3/10/2025. | Community Affiliate | Community Affiliate | | | | Accepted resignation effective 3/10/2025. |
| Camp, Erik Guilford, PA | Emergency Medicine | Automatic Termination of membership and privileges. No longer providing services in MHS through Team Health, effective 1/2/2025. | APP | APP | APP | APP | | Automatic Termination of membership and privileges. No longer providing services in MHS through Team Health, effective 1/2/2025. |
| Cruz-Zeno, Edwin Rodolfo, MD | Pediatric Rehabilitation Medicine | Request resignation effective 6/27/2025. | Active | | | | Active | Accepted resignation effective 6/27/2025. |
| Elmstrom, Cara Leigh, PA | Oncology and Hematology (Dr. Eric Rishe) | Request resignation effective 3/10/2025. | APP | APP | APP | APP | | Accepted resignation effective 3/10/2025. |
| Fishman, Arthur M., MD | Ophthalmology | Request resignation effective 12/5/2024. | | Active | | | | Accepted resignation effective 12/5/2024. |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|---|---|--|-----|--------|-----|--------|--------|---|
| Gallego, Nicole, MD | Internal Medicine | Request resignation effective 3/19/2025. | | Active | | | | Accepted resignation effective 3/19/2025. |
| Garcia, Melanie Eleanor, APRN, CRNA | Nurse Anesthetist (Dr. Kiesha Raphael) | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/17/2025. | APP | APP | APP | APP | APP | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/17/2025. |
| Golembieski, Kaitlin, DO | Pediatrics | Automatic Termination of membership and privileges. No longer providing services in MHS through Pediatric Associates, effective 2/21/2025. | | Active | | Active | Active | Automatic Termination of membership and privileges. No longer providing services in MHS through Pediatric Associates, effective 2/21/2025. |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|---|--|--|--------|--------|--------|--------|--------|---|
| Grell, Margaret Inez, MD | Pediatrics | Request resignation effective 3/31/2025. | Active | | | | Active | Accepted resignation effective 3/31/2025. |
| Hatzis, Brenda Karina, APRN, CRNA | Nurse Anesthetist (Dr. Clint Christensen) | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/17/2025. | APP | APP | APP | APP | APP | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/17/2025. |
| Johnson Jr., James Earl, MD | Anesthesiology | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/14/2025. | Active | Active | Active | Active | Active | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/14/2025. |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|---------------------------------------|---|---|----------|-----|-----|--------|--------|---|
| Jones, Theo, APRN | Family Medicine (Virtualist) (Dr. Joshua Emdur) | Automatic Termination of membership and privileges. No longer providing services in MHS effective 3/10/2025. | APP | | | | | Automatic Termination of membership and privileges. No longer providing services in MHS effective 3/10/2025. |
| Kachappilly, Preetha Liju, APRN | Internal Medicine and Nephrology (Drs. Sukhvinder Gulati & Manjit Singh Gulati) | Request resignation at MHW & MHP only, effective 3/12/2025. | On Staff | APP | APP | | | Accepted resignation at MHW & MHP only, effective 3/12/2025. |
| Lal, Garima, MD | Pediatric Ophthalmology | Request resignation effective 5/31/2025. | | | | Active | Active | Accepted resignation effective 5/31/2025. |
| Leon, Juan Ruben | Surgical Assistant | Request resignation effective 3/5/2025. | AHP | AHP | AHP | | | Accepted resignation effective 3/5/2025. |
| Levy, Alexandra Michele, MD | Obstetrics and Gynecology | Request resignation effective 4/14/2025. | Active | | | Active | | Accepted resignation effective 4/14/2025. |
| Maus, Caitlin Violet APRN, CRNA | Nurse Anesthetist (Dr. Kiesha Raphael) | Automatic Termination of membership and privileges. No longer providing services in MHS | APP | APP | APP | APP | APP | Automatic Termination of membership and privileges. No longer providing |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|-----------------------------------|---|---|--------|--------|--------|--------|--------|---|
| | | through Envision Physician Services, effective 3/17/2025. | | | | | | services in MHS through Envision Physician Services, effective 3/17/2025. |
| Mir, Danial Ibrahim Ahmed, MD | Interventional and Diagnostic Radiology | Request resignation effective 6/13/2025. | Active | Active | Active | Active | Active | Accepted resignation effective 6/13/2025. |
| Nguyen, Kristy Monglan, AA | Anesthesiologist Assistant (Dr. Cameron Howard) | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/14/2025. | APP | APP | APP | APP | APP | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision Physician Services, effective 3/14/2025. |
| Reed, Brenda, APRN | Pain Medicine (Dr. Adam Shestack) | Request resignation effective 2/26/2025. | APP | APP | APP | APP | | Accepted resignation effective 2/26/2025. |
| Ring, Christina Mary Travers APRN | Pediatric Endocrinology (Drs. Robin Nemery; Martha Taboada; Sarah Hart-Unger; Lital Reitblat & Chelsea Gordner) | Request resignation effective 2/27/2025. | | | | | APP | Accepted resignation effective 2/27/2025. |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|---|---|---|--------|--------|--------|--------|--------|--|
| Sacks, Samuel H., MD | Pediatrics | Request resignation effective 3/6/2025. | | Active | | Active | Active | Accepted resignation effective 3/6/2025. |
| Sareli MD, Aharon Eliezer | Critical Care Medicine | Automatic Termination of membership and privileges. No longer providing services in MHS effective 2/21/2025. | Active | Active | Active | Active | | Automatic Termination of membership and privileges. No longer providing services in MHS effective 2/21/2025. |
| Schwartz, Harvey D., MD | Neurology | Request resignation effective 3/5/2025. | Active | | | | | Accepted resignation effective 3/5/2025. |
| Sipos, Kristine Maurie, APRN | Vascular Surgery (Dr. Rodrigo Fonseca) | Request resignation effective 5/1/2025. | | APP | APP | APP | | Accepted resignation effective 5/1/2025. |
| Uztariz, Giselle Carmy | Surgical Assistant | Request resignation effective 8/18/2023. | AHP | AHP | | | | Accepted resignation effective 8/18/2023. |
| Williams, Brittany Taylor, APRN, CRNA | Nurse Anesthetist (Dr. Kiesha Raphael) | Automatic Termination of membership and privileges. No longer providing services in MHS through Envision | APP | APP | APP | APP | APP | Automatic Termination of membership and privileges. No longer providing services in |

| Name | Specialty (Sponsor) | Topic | MRH | MHW | MHP | MHM | JDCH | Action by Committee |
|--|---|--|-----|-----|-----|-----|------|---|
| | | Physician Services, effective 3/17/2025. | | | | | | MHS through Envision Physician Services, effective 3/17/2025. |
| Wisniewski, Bethany Danielle, PA | Surgical Assistant (Dr. Farid Assouad) | Automatic Termination of membership and privileges. No longer providing services in MHS through AP Health effective 2/21/2025. | AHP | AHP | AHP | | | Automatic Termination of membership and privileges. No longer providing services in MHS through AP Health, effective 2/21/2025. |

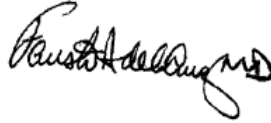
| | |
|-------------------------------------|-----|
| April 2025 | MHS |
| New Physician Appointments | 10 |
| New AHP Appointments | 9 |
| Physician Reappointments | 78 |
| AHP Reappointments | 50 |
| Physician Resignations/Terminations | 14 |
| AHP Resignations/Terminations | 15 |

Your approval of these recommendations is requested.

Sincerely,



Maria Pilar Gutierrez, MD
President
Memorial Regional Hospital
Joe DiMaggio Children's Hospital



Fausto A. De La Cruz, M.D.
Chief of Staff
Memorial Hospital West



Juan Villegas, M.D.
Chief of Staff
Memorial Hospital Miramar



Narendra R Upadhyaya, MD
Chief of Staff
Memorial Hospital Pembroke

Memorial Healthcare System

Financial Reports for March 2025

April 23rd, 2025
Board Meeting





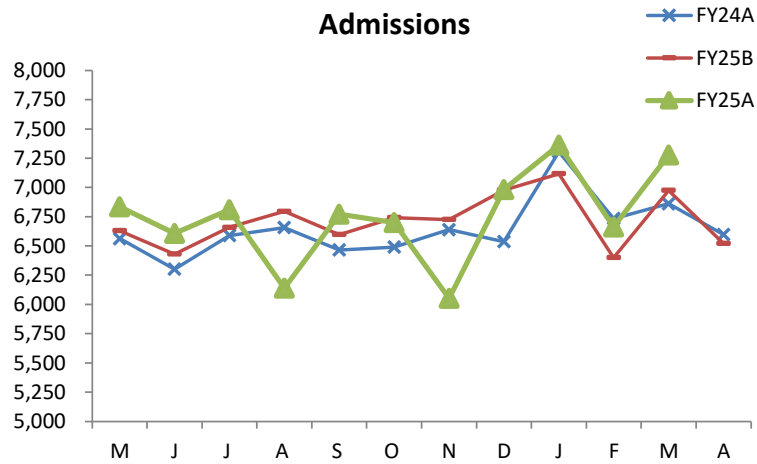
Memorial Healthcare System - Executive Summary - MTD March 2025

- Inpatient Revenue was above budget due to 13.3% higher emergency room admissions, 4.4% higher admissions, and 0.9% higher patient days
- Outpatient Revenue was above budget due to 5.6% higher outpatient visits
- Net Revenue of \$304.4M was above the budget of \$289.3M, and Income from Operations of \$11.9M was higher than the budget of \$11.5M
- Excess of Revenues over Expenses was \$16.5M, with an unrealized loss of (\$0.9M), compared with the budgeted Excess of Revenues over Expenses of \$15.8M



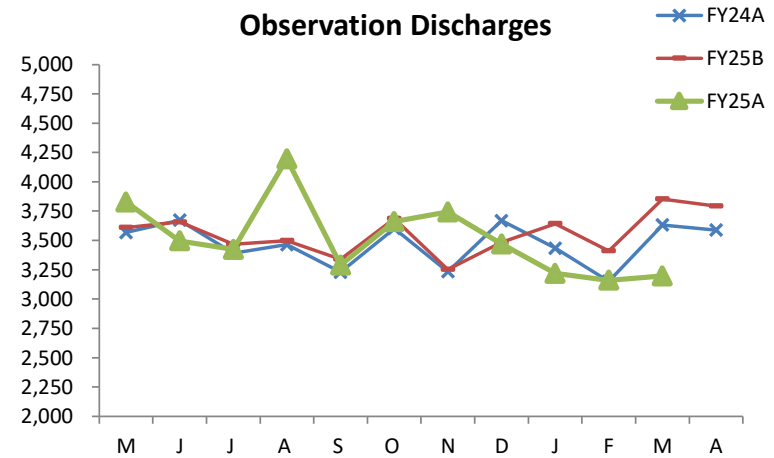
Memorial Healthcare System - Consolidated Volumes and Payor Mix - March 2025

Admissions



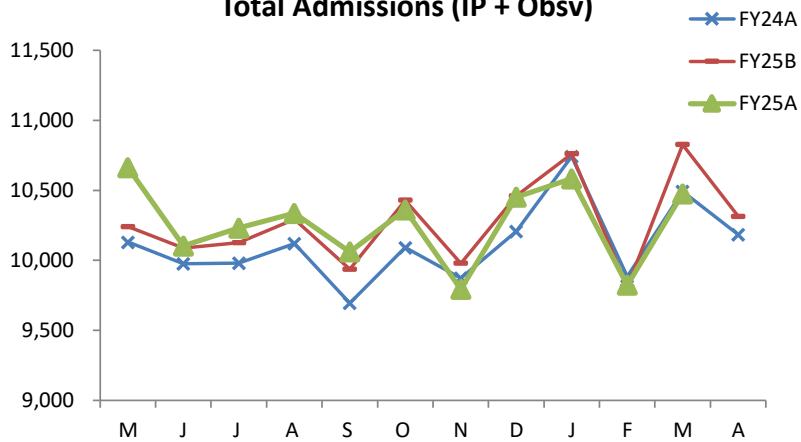
| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 7,278 | 6,974 | 6,861 | 4.4% | 6.1% |
| YTD: | 74,200 | 74,043 | 73,141 | 0.2% | 1.4% |

Observation Discharges



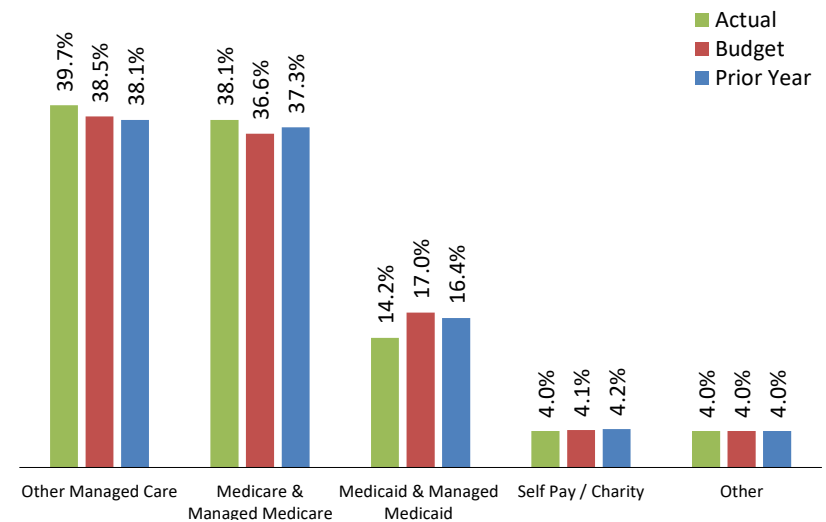
| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 3,198 | 3,853 | 3,632 | -17.0% | -11.9% |
| YTD: | 38,684 | 38,900 | 38,048 | -0.6% | 1.7% |

Total Admissions (IP + Obsv)



| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 10,476 | 10,827 | 10,493 | -3.2% | -0.2% |
| YTD: | 112,884 | 112,943 | 111,189 | -0.1% | 1.5% |

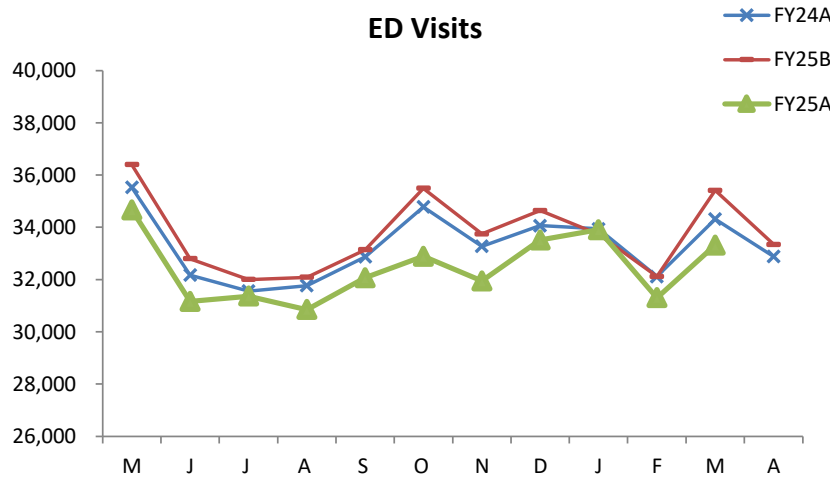
Payor Mix (Gross Revenue) - YTD FY2025





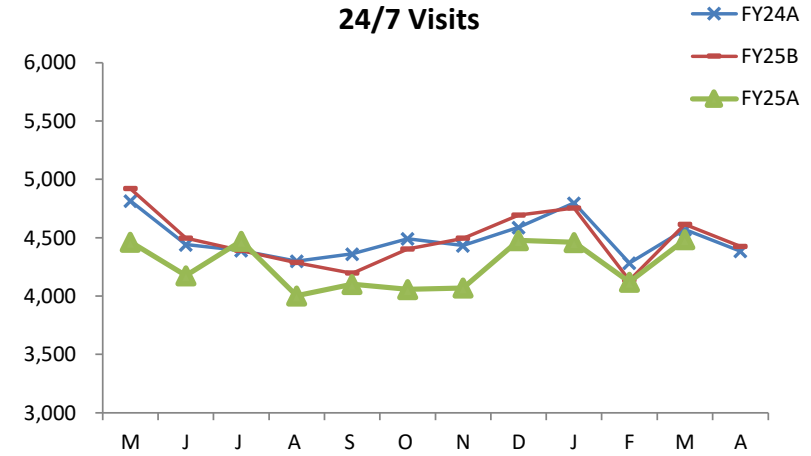
Memorial Healthcare System - Consolidated Volumes - March 2025

ED Visits



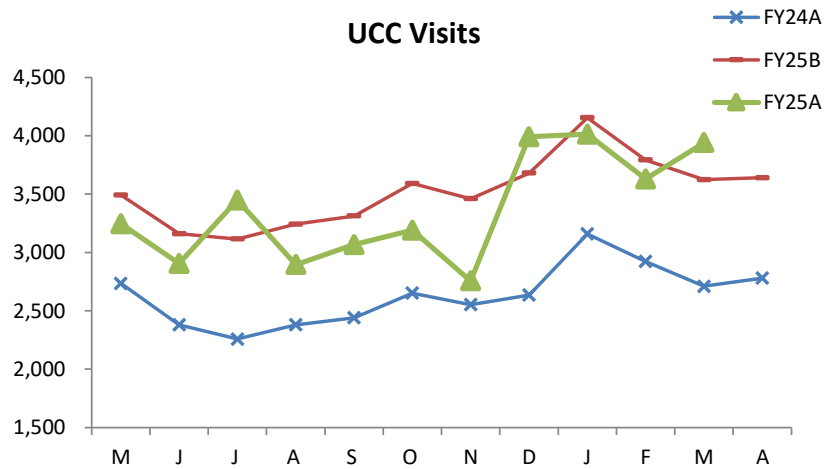
| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 33,322 | 35,409 | 34,315 | -5.9% | -2.9% |
| YTD: | 356,969 | 371,547 | 366,381 | -3.9% | -2.6% |

24/7 Visits



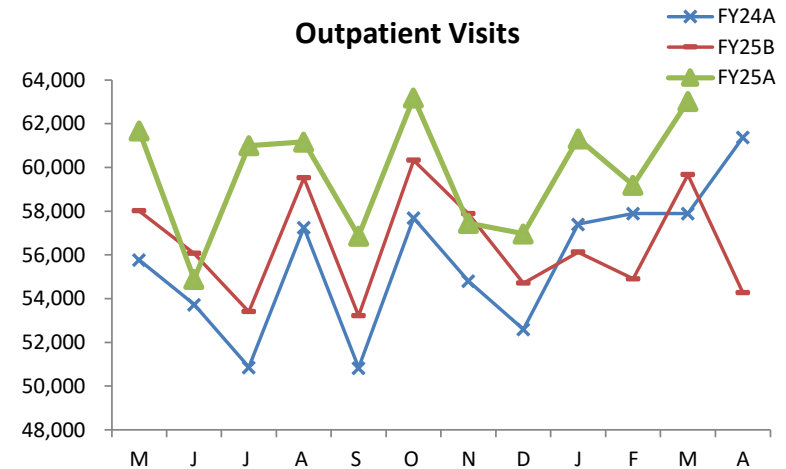
| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 4,485 | 4,614 | 4,570 | -2.8% | -1.9% |
| YTD: | 46,891 | 49,381 | 49,472 | -5.0% | -5.2% |

UCC Visits



| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 3,941 | 3,624 | 2,710 | 8.7% | 45.4% |
| YTD: | 37,090 | 38,624 | 28,823 | -4.0% | 28.7% |

Outpatient Visits

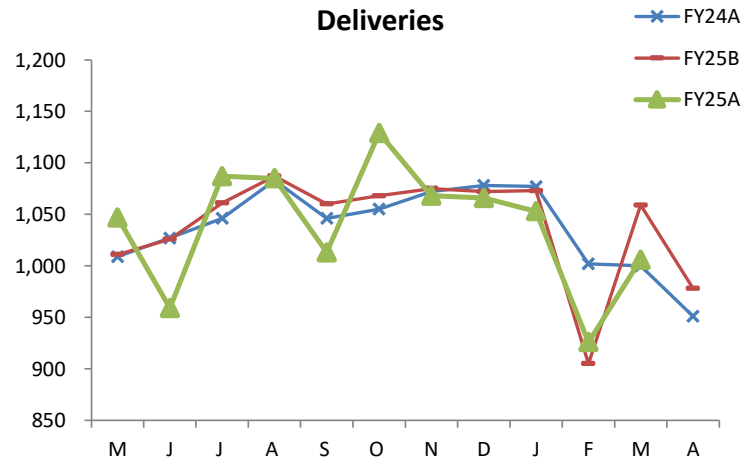


| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 63,020 | 59,667 | 57,893 | 5.6% | 8.9% |
| YTD: | 656,731 | 623,821 | 606,736 | 5.3% | 8.2% |



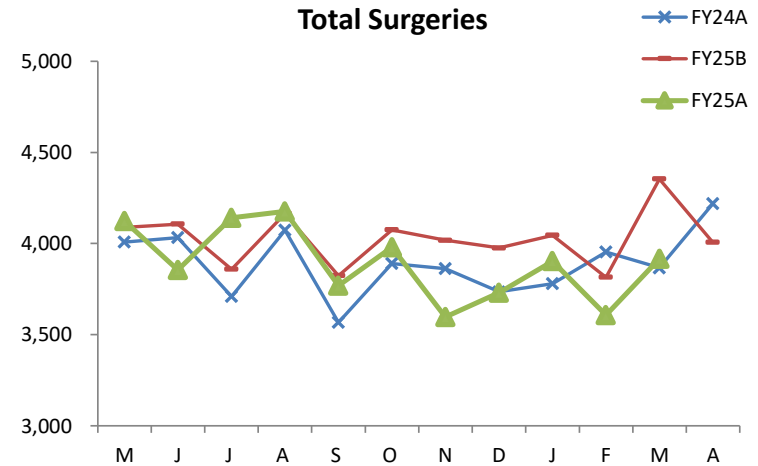
Memorial Healthcare System - Consolidated Volumes - March 2025

Deliveries



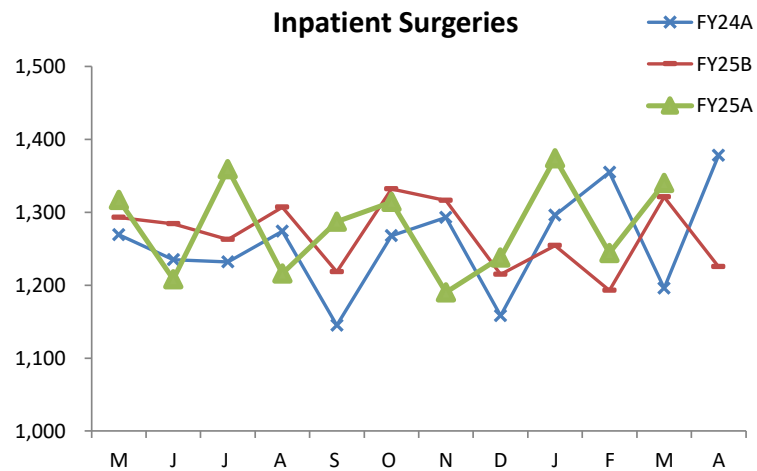
| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 1,006 | 1,059 | 1,000 | -5.0% | 0.6% |
| YTD: | 11,439 | 11,497 | 11,495 | -0.5% | -0.5% |

Total Surgeries



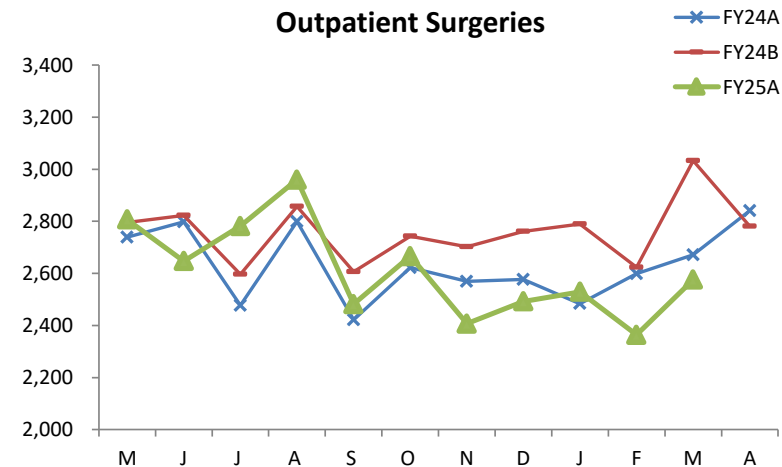
| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 3,916 | 4,354 | 3,867 | -10.1% | 1.3% |
| YTD: | 42,799 | 44,324 | 42,478 | -3.4% | 0.8% |

Inpatient Surgeries



| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 1,340 | 1,321 | 1,196 | 1.4% | 12.0% |
| YTD: | 14,087 | 13,995 | 13,721 | 0.7% | 2.7% |

Outpatient Surgeries



| | <u>FY25A</u> | <u>FY25B</u> | <u>FY24A</u> | <u>vs FY25B</u> | <u>vs FY24</u> |
|------|--------------|--------------|--------------|-----------------|----------------|
| MTD: | 2,576 | 3,033 | 2,671 | -15.1% | -3.6% |
| YTD: | 28,712 | 30,329 | 28,757 | -5.3% | -0.2% |



Memorial Healthcare System - Operating Statement - March 2025

| | Variance | | Month to Date | | | \$ thousands | Year to Date | | | Variance | |
|----|----------|-----------|---------------|-----------|-----------|---|--------------|------------|------------|-----------|---------|
| | vs PY | vs Budget | Prior Year | Budget | Actual | | Actual | Budget | Prior Year | vs Budget | vs PY |
| A | 14.2% | 8.4% | 901,717 | 950,211 | 1,029,909 | Inpatient Revenue | 10,468,350 | 10,163,316 | 9,485,558 | 3.0% | 10.4% |
| B | 15.7% | 3.5% | 843,079 | 942,200 | 975,066 | Outpatient Revenue | 10,301,645 | 9,952,724 | 8,893,961 | 3.5% | 15.8% |
| C | 14.9% | 5.9% | 1,744,796 | 1,892,412 | 2,004,975 | Total Patient Revenue | 20,769,996 | 20,116,040 | 18,379,519 | 3.3% | 13.0% |
| D | 17.6% | 4.4% | 1,383,450 | 1,557,489 | 1,626,246 | Contractual Allowances | 16,812,641 | 16,568,044 | 14,843,756 | 1.5% | 13.3% |
| E | (45.4%) | (1.4%) | 106,663 | 59,034 | 58,206 | Charity Care | 746,269 | 627,686 | 694,264 | 18.9% | 7.5% |
| F | >100% | >100% | (21,077) | 7,957 | 43,891 | Provision for Bad Debt | 286,992 | 84,026 | 124,550 | >100% | >100% |
| G | 17.7% | 6.4% | 1,469,036 | 1,624,481 | 1,728,343 | Total Deductions | 17,845,902 | 17,279,756 | 15,662,571 | 3.3% | 13.9% |
| H | 0.3% | 3.2% | 275,760 | 267,931 | 276,633 | Net Patient Revenue | 2,924,093 | 2,836,283 | 2,716,948 | 3.1% | 7.6% |
| I | (28.9%) | (16.8%) | 4,554 | 3,888 | 3,236 | Disproportionate Share Distributions | 34,387 | 44,710 | 54,562 | (23.1%) | (37.0%) |
| J | 39.0% | 40.3% | 17,676 | 17,522 | 24,578 | Other Operating Revenue | 255,787 | 203,870 | 198,903 | 25.5% | 28.6% |
| K | 25.1% | 29.9% | 22,230 | 21,411 | 27,814 | Total Other Operating Revenue | 290,174 | 248,580 | 253,465 | 16.7% | 14.5% |
| L | 2.2% | 5.2% | 297,990 | 289,341 | 304,447 | Net Revenue | 3,214,268 | 3,084,864 | 2,970,413 | 4.2% | 8.2% |
| M | 6.7% | 3.5% | 135,408 | 139,601 | 144,431 | Salaries & Wages | 1,518,780 | 1,482,336 | 1,411,740 | 2.5% | 7.6% |
| N | 11.2% | (6.4%) | 19,607 | 23,284 | 21,798 | Employee Benefits | 255,562 | 261,994 | 218,918 | (2.5%) | 16.7% |
| O | 21.6% | (0.2%) | 6,389 | 7,784 | 7,769 | Professional Fees | 83,724 | 84,753 | 71,757 | (1.2%) | 16.7% |
| P | 18.8% | 22.3% | 57,309 | 55,644 | 68,057 | Supplies Expense | 675,490 | 599,900 | 602,727 | 12.6% | 12.1% |
| Q | >100% | 5.3% | 4,776 | 19,127 | 20,137 | Purchased Services | 212,625 | 208,358 | 219,858 | 2.0% | (3.3%) |
| R | (5.7%) | (1.8%) | 8,536 | 8,198 | 8,051 | Facilities Expense | 88,186 | 93,056 | 80,785 | (5.2%) | 9.2% |
| S | (57.5%) | (3.6%) | 32,899 | 14,492 | 13,972 | Depreciation & Amortization | 148,324 | 149,467 | 131,760 | (0.8%) | 12.6% |
| T | >100% | (13.7%) | 3,947 | 9,704 | 8,378 | Other Operating Expense | 110,363 | 113,059 | 98,555 | (2.4%) | 12.0% |
| V | 8.8% | 5.3% | 268,871 | 277,834 | 292,593 | Total Expenses | 3,093,054 | 2,992,923 | 2,836,100 | 3.3% | 9.1% |
| W | (59.3%) | 3.0% | 29,119 | 11,507 | 11,854 | Income/(Loss) from Operations | 121,214 | 91,941 | 134,313 | 31.8% | (9.8%) |
| X | N/A | N/A | - | - | (93) | Tax Revenue | (1,026) | - | - | N/A | N/A |
| Y | 36.9% | 2.4% | (4,364) | (2,821) | (2,754) | Interest Expense | (30,972) | (31,171) | (31,192) | 0.6% | 0.7% |
| Z | <(100%) | N/A | 19,572 | - | (943) | Unrealized Gain/(Loss) | 100,594 | - | 41,550 | N/A | >100% |
| AA | (18.0%) | 17.9% | 10,234 | 7,114 | 8,389 | Investment & Other | 183,084 | 78,224 | 108,375 | >100% | 68.9% |
| AB | (81.8%) | 7.1% | 25,247 | 4,293 | 4,599 | Total Non Operating Revenue/(Loss) | 251,681 | 47,053 | 115,615 | >100% | >100% |
| AC | (69.7%) | 4.1% | \$54,367 | \$15,800 | \$16,452 | Excess/(Deficit) of Revenues over Expenses | \$372,894 | \$138,993 | \$249,928 | >100% | 49.2% |
| AD | (52.5%) | 3.0% | \$71,980 | \$33,191 | \$34,183 | EBITDA | \$452,120 | \$320,488 | \$372,171 | 41.1% | 21.5% |
| AE | (34.7%) | 3.5% | \$46,005 | \$29,051 | \$30,058 | Normalized EBITDA (GASB 96 and GASB 87 Impacts Removed) | \$401,750 | \$274,577 | \$329,938 | 46.3% | 21.8% |



Memorial Healthcare System - Operating Statement - MTD March 2025

| \$ thousands | Month to Date | | Variance | Variance % | |
|---|------------------|------------------|----------------|------------|---|
| | Actual | Budget | vs Budget | | |
| A Inpatient Revenue | 1,029,909 | 950,211 | 79,698 | 8.4% | Higher ER admits, admissions, inpatient surgeries and patient days |
| B Outpatient Revenue | 975,066 | 942,200 | 32,866 | 3.5% | Higher outpatient visits |
| C Total Patient Revenue | 2,004,975 | 1,892,412 | 112,563 | 5.9% | |
| D Total Deductions | 1,728,343 | 1,624,481 | 103,862 | 6.4% | |
| E Net Patient Revenue | 276,633 | 267,931 | 8,702 | 3.2% | Higher gross revenue impact from higher volumes offset by higher bad debt reserves |
| F Total Other Operating Revenue | 27,814 | 21,411 | 6,403 | 29.9% | Higher outpatient pharmacy volumes and higher priced drugs, and higher grants |
| G Net Revenue | 304,447 | 289,341 | 15,106 | 5.2% | |
| H Salaries and Wages | 144,431 | 139,601 | 4,830 | 3.5% | Higher staffing related to admissions, inpatient surgeries and outpatient visits |
| I Employee Benefits | 21,798 | 23,284 | (1,486) | -6.4% | Lower pension contributions and lower health and dental claims |
| J Professional Fees | 7,769 | 7,784 | (15) | -0.2% | |
| K Supplies Expense | 68,057 | 55,644 | 12,413 | 22.3% | Higher outpatient pharmacy volumes and higher priced drugs, higher clinical supplies from increased transplant volumes, and higher medical supplies from increased inpatient surgical volumes |
| L Purchased Services | 20,137 | 19,127 | 1,010 | 5.3% | Higher purchased outside services and reference lab expense due to higher transplant activity, and higher security expense |
| M Facilities Expense | 8,051 | 8,198 | (147) | -1.8% | |
| N Depreciation and Amortization | 13,972 | 14,492 | (520) | -3.6% | |
| O Other Operating Expense | 8,378 | 9,704 | (1,326) | -13.7% | Lower advertising, reclass of program expenses for adult transplant to purchased services expense, and lower equipment rentals |
| P Total Expenses | 292,593 | 277,834 | 14,759 | 5.3% | |
| Q Income/(Loss) from Operations | 11,854 | 11,507 | 347 | 3.0% | |
| R Operating EBITDA | 25,876 | 26,066 | (190) | -0.7% | |
| S Operating EBITDA Margin | 8.5% | 9.0% | | | |
| T Non Operating Revenue/Expense | 4,599 | 4,293 | 306 | 7.1% | Realized investment gains, partially offset by unrealized investment losses |
| U Excess/(Deficit) of Revenues over Expenses | 16,452 | 15,800 | 652 | 4.1% | |
| V EBITDA | 34,183 | 33,191 | 992 | 3.0% | |
| W EBITDA Margin | 11.2% | 11.5% | | | |



Memorial Healthcare System - Operating Statement - YTD March 2025

| \$ thousands | Year to Date | | Variance | Variance % | |
|---|-------------------|-------------------|----------------|------------|---|
| | Actual | Budget | vs Budget | | |
| A Inpatient Revenue | 10,468,350 | 10,163,316 | 305,034 | 3.0% | Higher admissions and inpatient surgeries |
| B Outpatient Revenue | 10,301,645 | 9,952,724 | 348,921 | 3.5% | Higher outpatient visits |
| C Total Patient Revenue | 20,769,996 | 20,116,040 | 653,956 | 3.3% | |
| D Total Deductions | 17,845,902 | 17,279,756 | 566,146 | 3.3% | |
| E Net Patient Revenue | 2,924,093 | 2,836,283 | 87,810 | 3.1% | Higher gross revenue impact from higher volumes and favorable payor mix |
| F Total Other Operating Revenue | 290,174 | 248,580 | 41,594 | 16.7% | Higher outpatient pharmacy due to higher cost drugs and increased volume |
| G Net Revenue | 3,214,268 | 3,084,864 | 129,404 | 4.2% | |
| H Salaries & Wages | 1,518,780 | 1,482,336 | 36,444 | 2.5% | Higher labor costs from staffing to higher inpatient volumes, and revaluation of extended illness and paid time off liability |
| I Employee Benefits | 255,562 | 261,994 | (6,432) | -2.5% | Lower pension contributions |
| J Professional Fees | 83,724 | 84,753 | (1,029) | -1.2% | Lower physician fees |
| K Supplies Expense | 675,490 | 599,900 | 75,590 | 12.6% | Higher drugs due to volume and mix and higher clinical supplies due to implant volume |
| L Purchased Services | 212,625 | 208,358 | 4,267 | 2.0% | Higher purchased outside labor and higher transplant program expenses |
| M Facilities Expense | 88,186 | 93,056 | (4,870) | -5.2% | Lower repairs and maintenance expenses due to timing |
| N Depreciation & Amortization | 148,324 | 149,467 | (1,143) | -0.8% | |
| O Other Operating Expense | 110,363 | 113,059 | (2,696) | -2.4% | Lower program expenses due to timing, lower shared savings distribution, and lower travel |
| P Total Expenses | 3,093,054 | 2,992,923 | 100,131 | 3.3% | |
| Q Income/(Loss) from Operations | 121,214 | 91,941 | 29,273 | 31.8% | |
| R Operating EBITDA | 269,940 | 242,148 | 27,792 | 11.5% | |
| S Operating EBITDA Margin | 8.4% | 7.8% | | | |
| T Total Non Operating Revenue/(Loss) | 251,681 | 47,053 | 204,628 | 434.9% | Unrealized and realized investment gains, and FEMA reimbursement |
| U Excess/(Deficit) of Revenues over Expenses | 372,894 | 138,993 | 233,901 | 168.3% | |
| V EBITDA | 452,120 | 320,488 | 131,632 | 41.1% | |
| W EBITDA Margin | 14.1% | 10.4% | | | |

**Memorial Healthcare System - Consolidated Balance Sheet and Key Indicators - March 2025**

| \$ thousands | | 03/31/2025 | 02/28/2025 | 4/30/2024 |
|---------------------|--|-------------------|-------------------|------------------|
| A | CASH AND INVESTMENTS | \$ 2,655,148 | \$ 2,658,960 | \$ 2,617,560 |
| B | PATIENT ACCOUNTS RECEIVABLE (NET) | 350,168 | 343,603 | 361,946 |
| C | RESTRICTED ASSETS AND ASSETS WHOSE USE IS LIMITED | 109,399 | 108,945 | 111,156 |
| D | CAPITAL ASSETS (NET) | 1,506,472 | 1,509,229 | 1,429,281 |
| E | OTHER ASSETS AND DEFERRED OUTFLOWS | 726,314 | 708,255 | 486,752 |
| F | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 5,347,501 | \$ 5,328,992 | \$ 5,006,695 |
| G | CURRENT LIABILITIES | \$ 642,767 | \$ 627,896 | \$ 657,224 |
| H | LONG TERM DEBT | 861,530 | 861,712 | 881,811 |
| I | ESTIMATED CLAIMS LIABILITY | 31,461 | 30,860 | 27,487 |
| J | OTHER NON-CURRENT LIABILITIES AND DEFERRED INFLOWS | 297,196 | 310,443 | 299,286 |
| K | TOTAL LIABILITIES AND DEFERRED INFLOWS | 1,832,954 | 1,830,911 | 1,865,808 |
| L | NET POSITION | 3,514,547 | 3,498,081 | 3,140,887 |
| M | LIABILITIES, NET POSITION AND DEFERRED INFLOWS | \$ 5,347,501 | \$ 5,328,992 | \$ 5,006,695 |
| N | DAYS CASH ON HAND | 303.3 | 307.8 | 323.9 |
| O | CASH TO DEBT (%) | 295.7 | 295.9 | 286.2 |
| P | NET DAYS IN AR | 39.2 | 38.1 | 38.4 |
| Q | DEBT TO NET POSITION RATIO | 0.26 | 0.26 | 0.29 |
| R | DEBT TO CAPITALIZATION | 0.20 | 0.21 | 0.23 |
| S | DEBT TO CASH FLOW | 1.88 | 1.75 | 2.29 |
| T | MADS* COVERAGE | 7.88 | 8.16 | 6.71 |

* MAXIMUM ANNUAL DEBT SERVICE

**Ratios have been updated to exclude SBITA related accounts



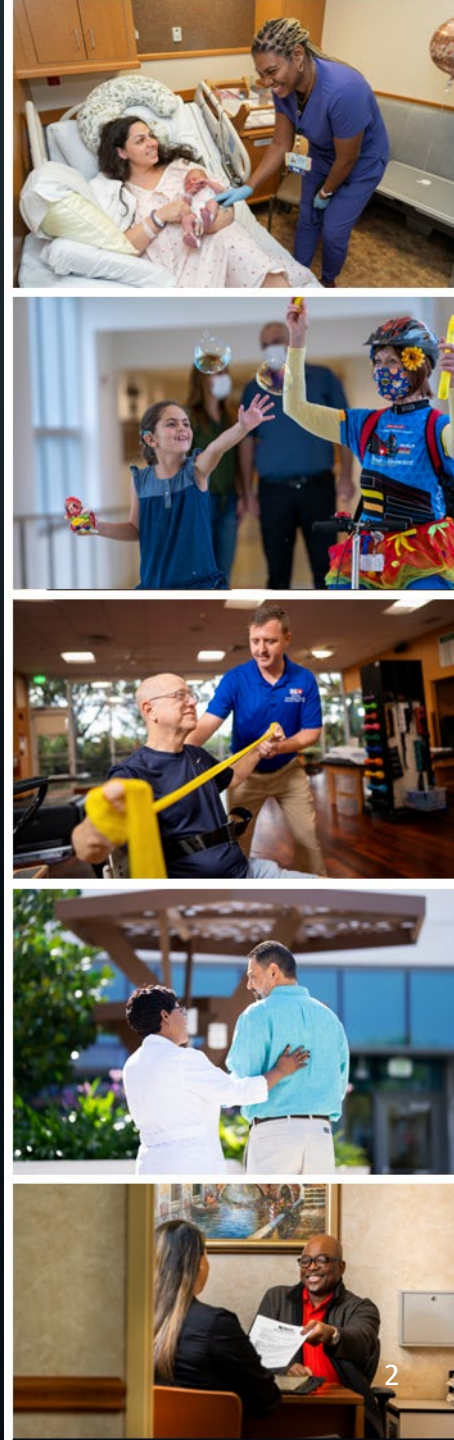
FISCAL YEAR 2026 OPERATING & CAPITAL BUDGET

APRIL 7, 2025



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1. Philosophy
2. Current State and Significant Assumptions
3. Operating and Capital Budgets
4. Investments in Strategic Goals
5. Tax Budget
6. Individual Entity Review
7. Conclusions



PHILOSOPHY

Mission

Heal the body, mind, and spirit of those we touch

Vision

To be a premier clinically integrated delivery system providing access to exceptional patient-and family-centered care, medical education, research and innovation for the benefit of the community we serve

The Seven Pillars

The budget enables Memorial Healthcare System to focus on strategic goals, which are centered on the seven pillars



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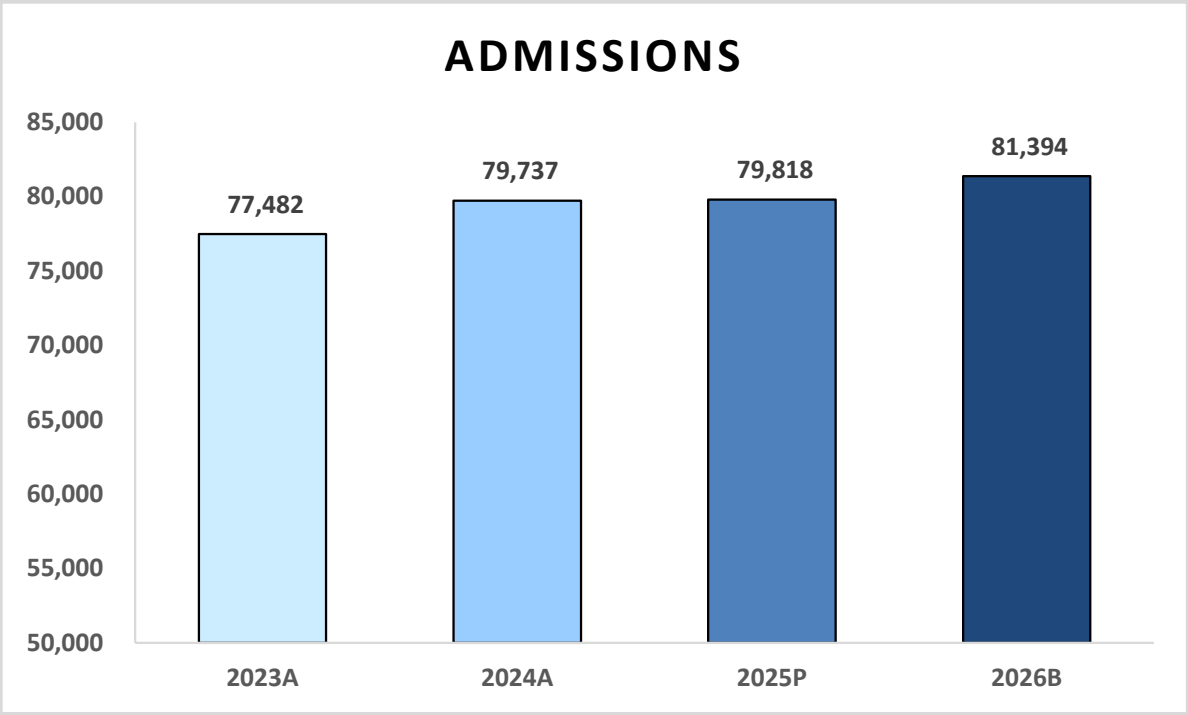
1. Philosophy
- 2. Current State and Significant Assumptions**
3. Operating and Capital Budgets
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5. Tax Budget
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7. Conclusions



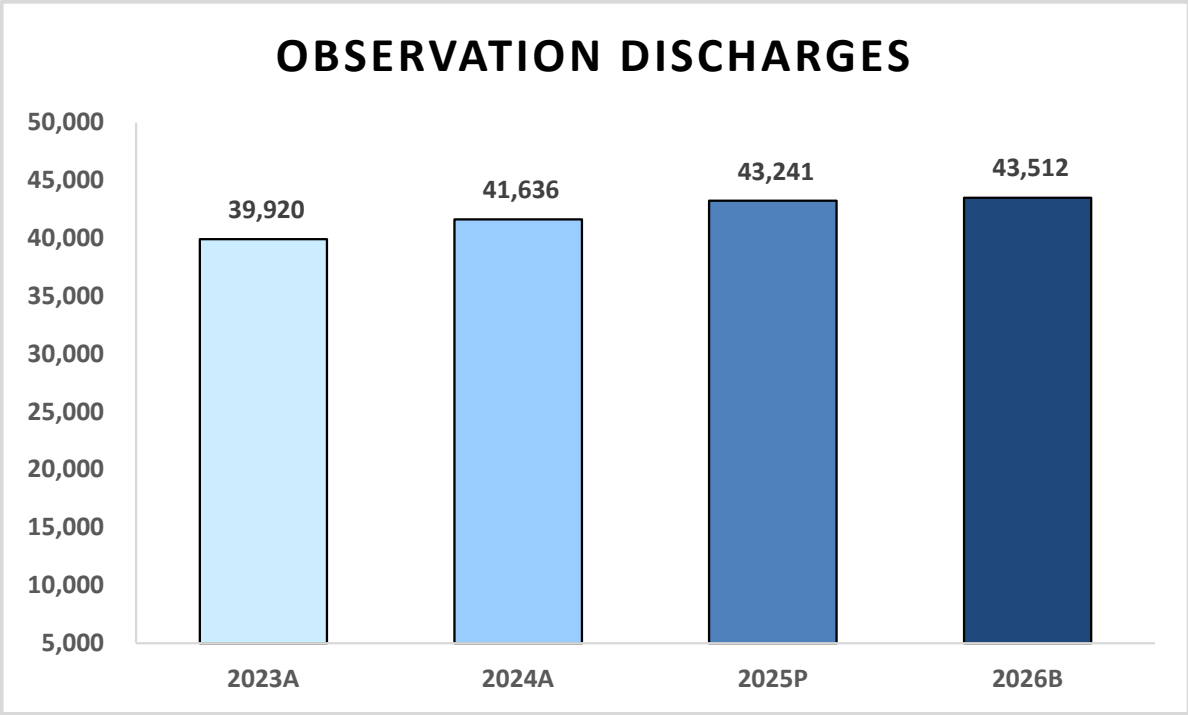
FY2026 Budget Significant Assumptions

- Growing market attracting new competitors
- Record volumes and increased acuity creating capacity constraints
- Managed care reimbursement rate increases throughout the year with modest organic volume growth
- Hospital profitability growth further driven by strategic initiatives, new physicians and organic growth
- Reliance on supplemental funding
- Stable internal labor work force with continued focus on retention
- Minimal reliance on agency and premium pay
- Continuing investment in capital projects

Volume Growth | Admissions & Observation Discharges



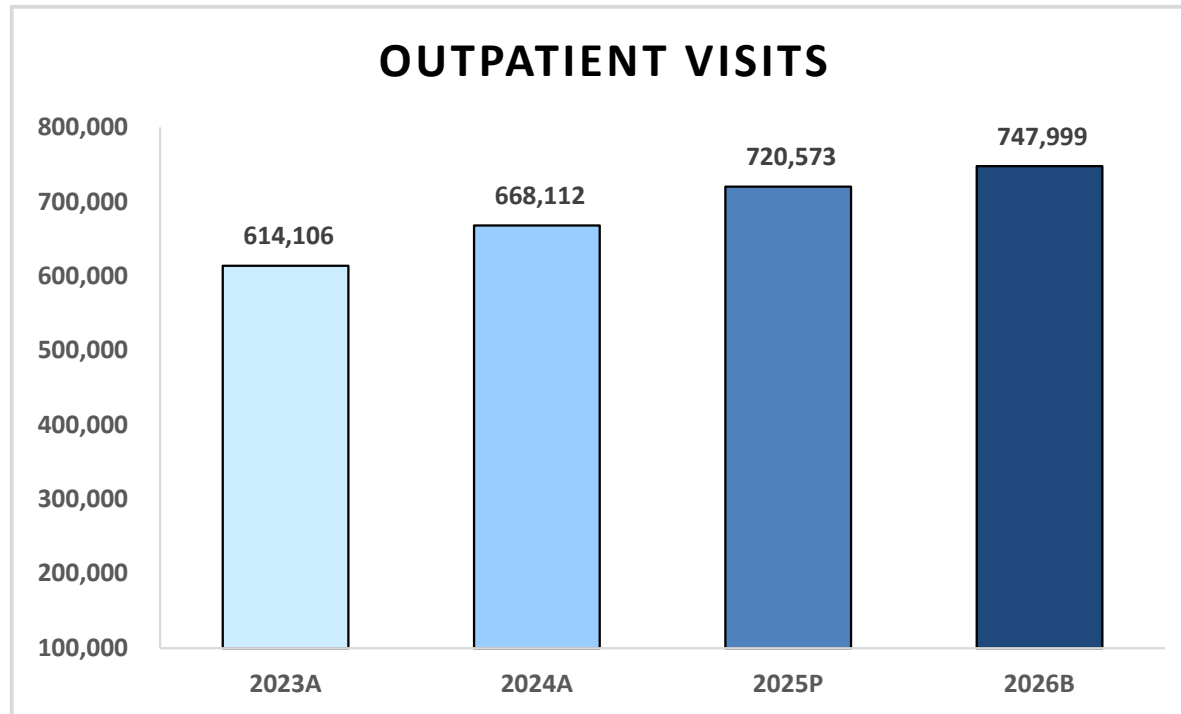
| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 77,482 | 79,737 | 79,818 | 81,394 | 2.0% |



| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 39,920 | 41,636 | 43,241 | 43,512 | 0.6% |

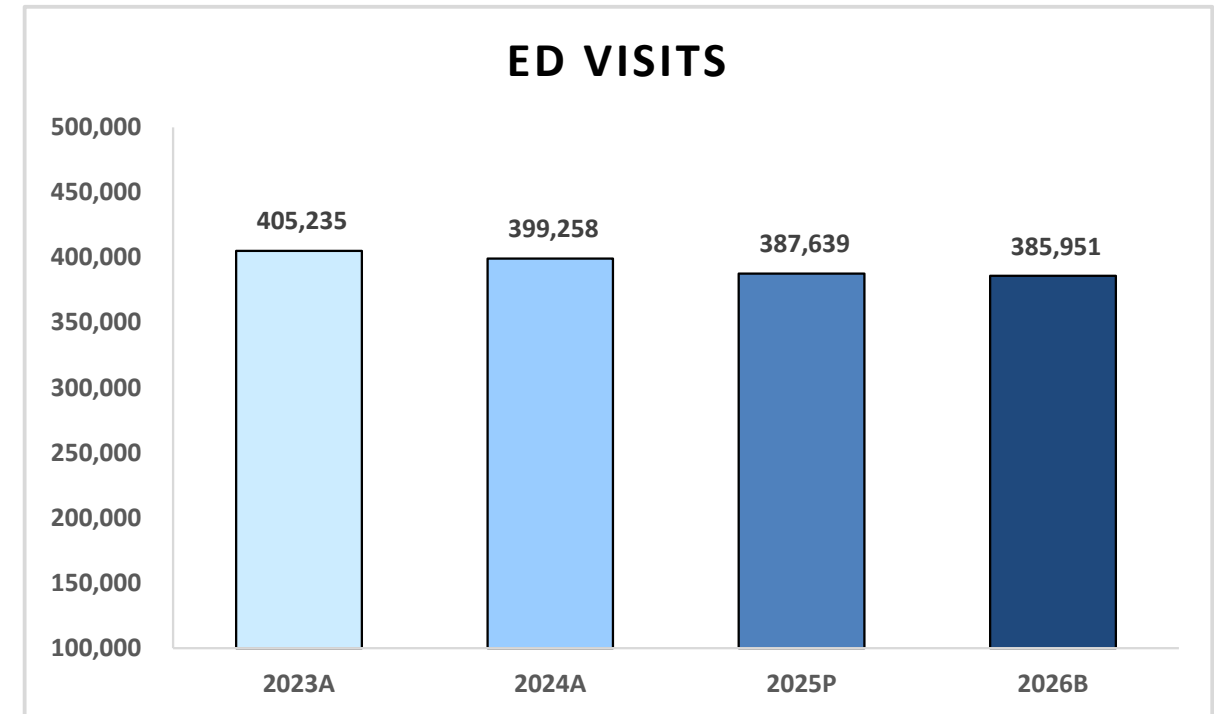
Volume Growth | Outpatient & ED Visits

OUTPATIENT VISITS



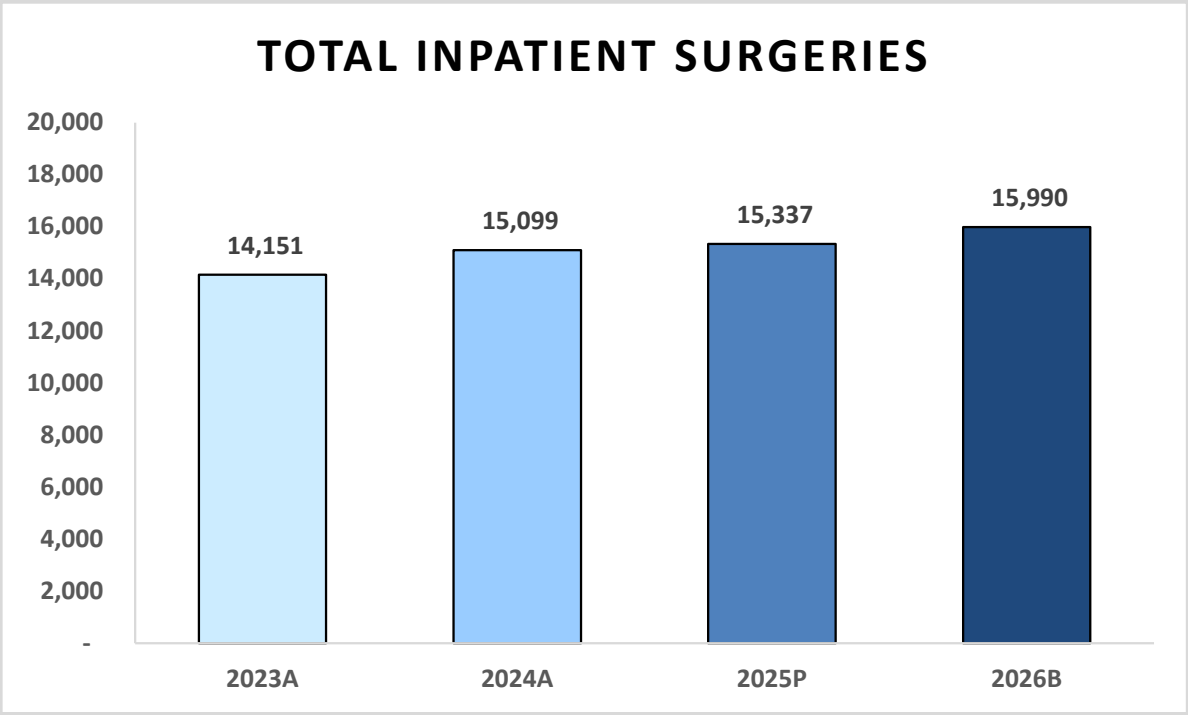
| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 614,106 | 668,112 | 720,573 | 747,999 | 3.8% |

ED VISITS



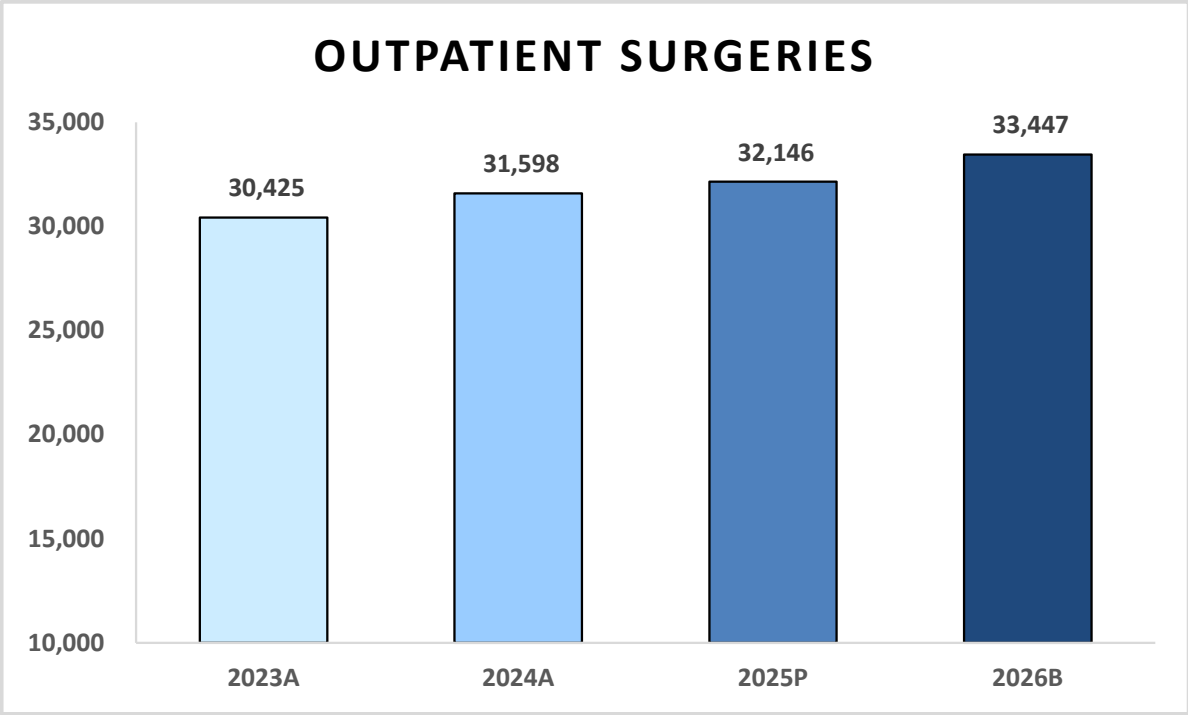
| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 405,235 | 399,258 | 387,639 | 385,951 | -0.4% |

Volume Growth | Surgeries



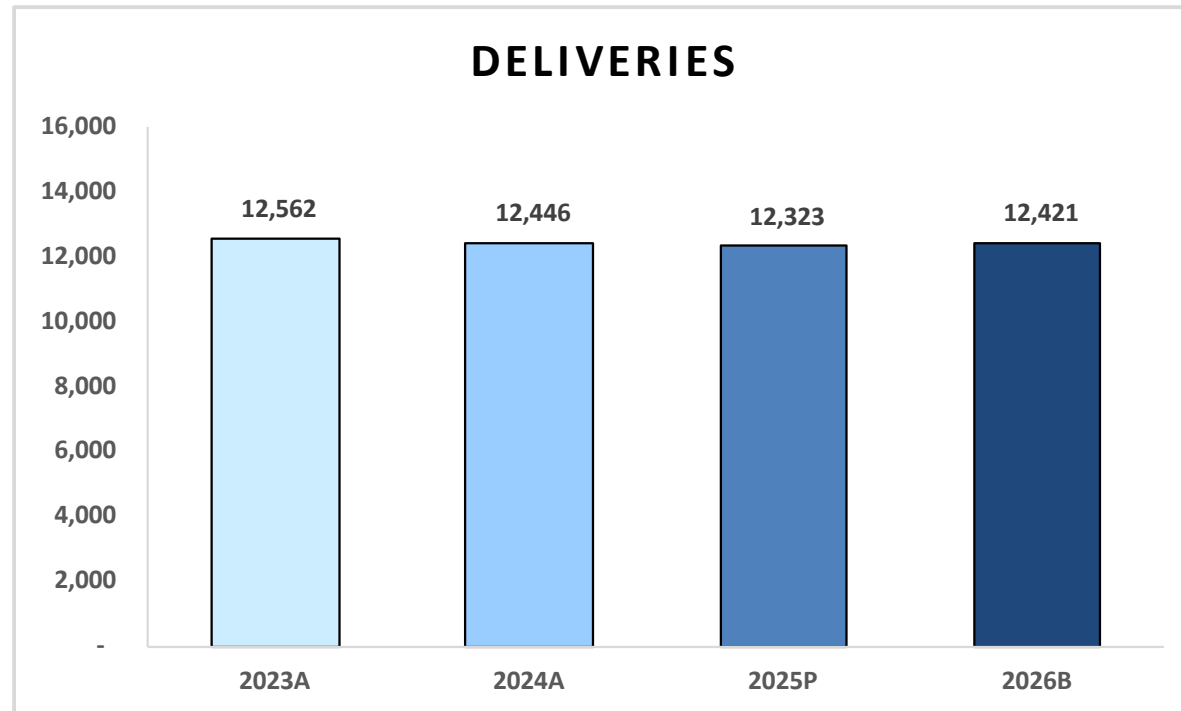
| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 14,151 | 15,099 | 15,337 | 15,990 | 4.3% |

*Total inpatient surgeries includes cardiac and non-cardiac surgeries

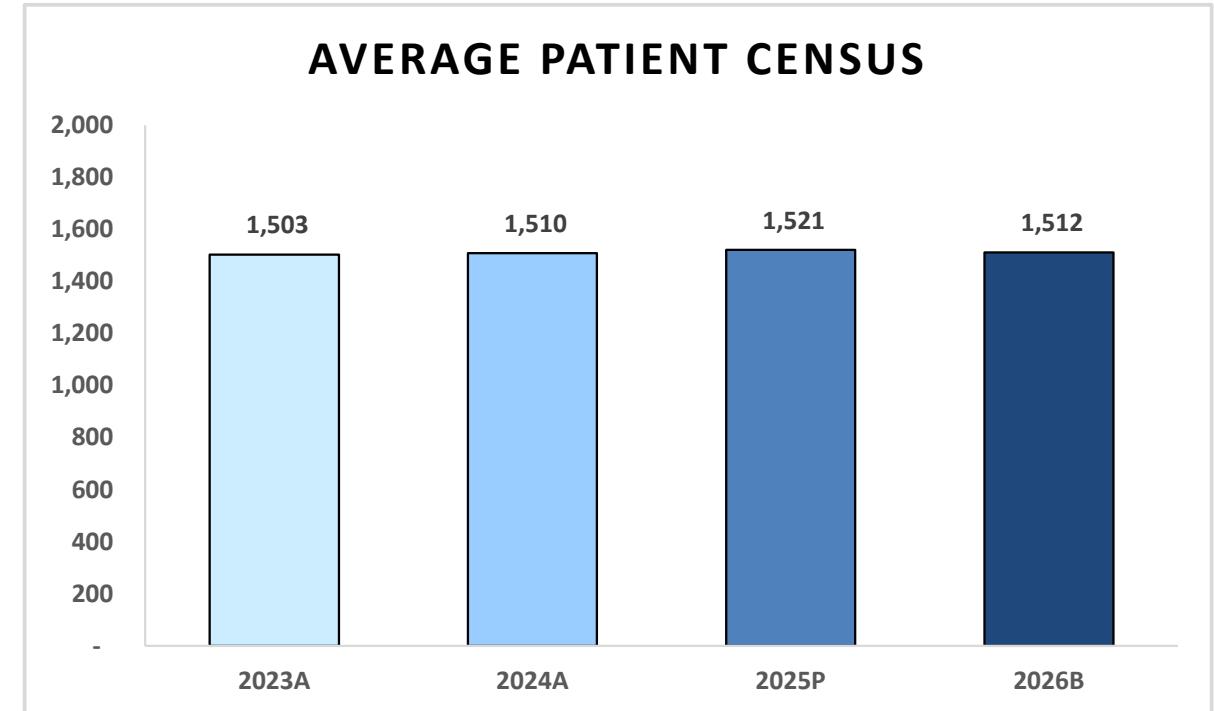


| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 30,425 | 31,598 | 32,146 | 33,447 | 4.0% |

Volume Growth | Deliveries & Average Patient Census



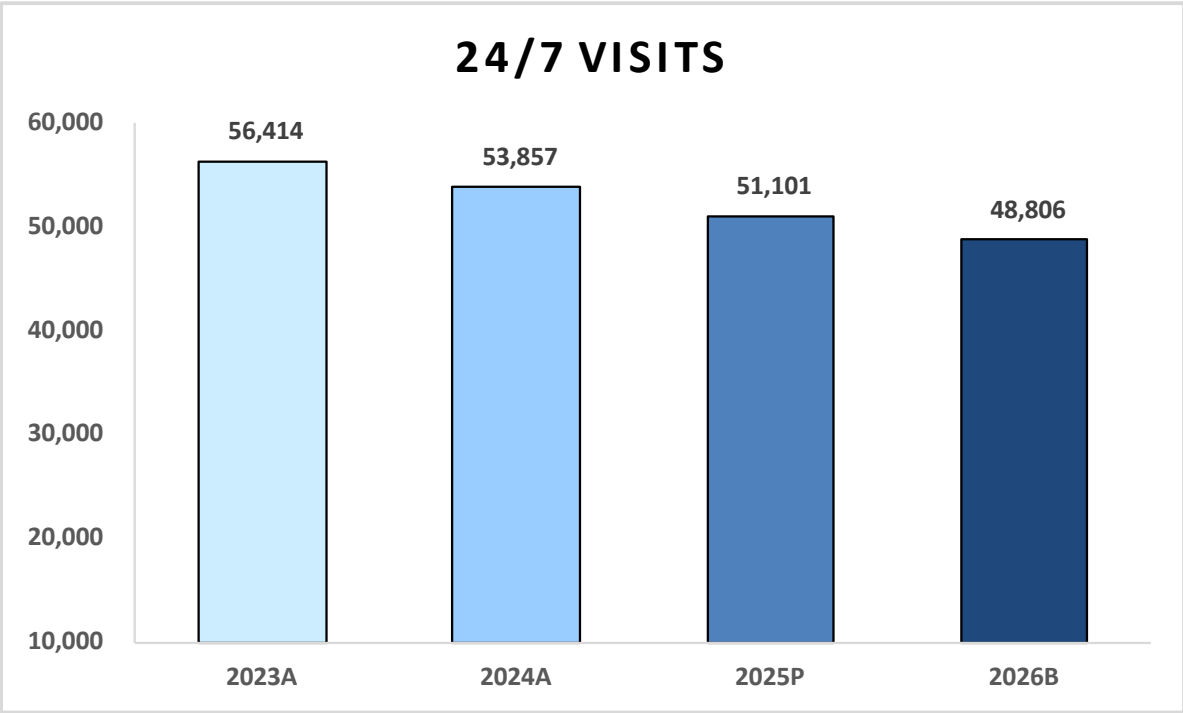
| | 2023A | 2024A | 2025P | 2026B | vs 2025P |
|------------|--------|--------|--------|--------|----------|
| Total Year | 12,562 | 12,446 | 12,323 | 12,421 | 0.8% |



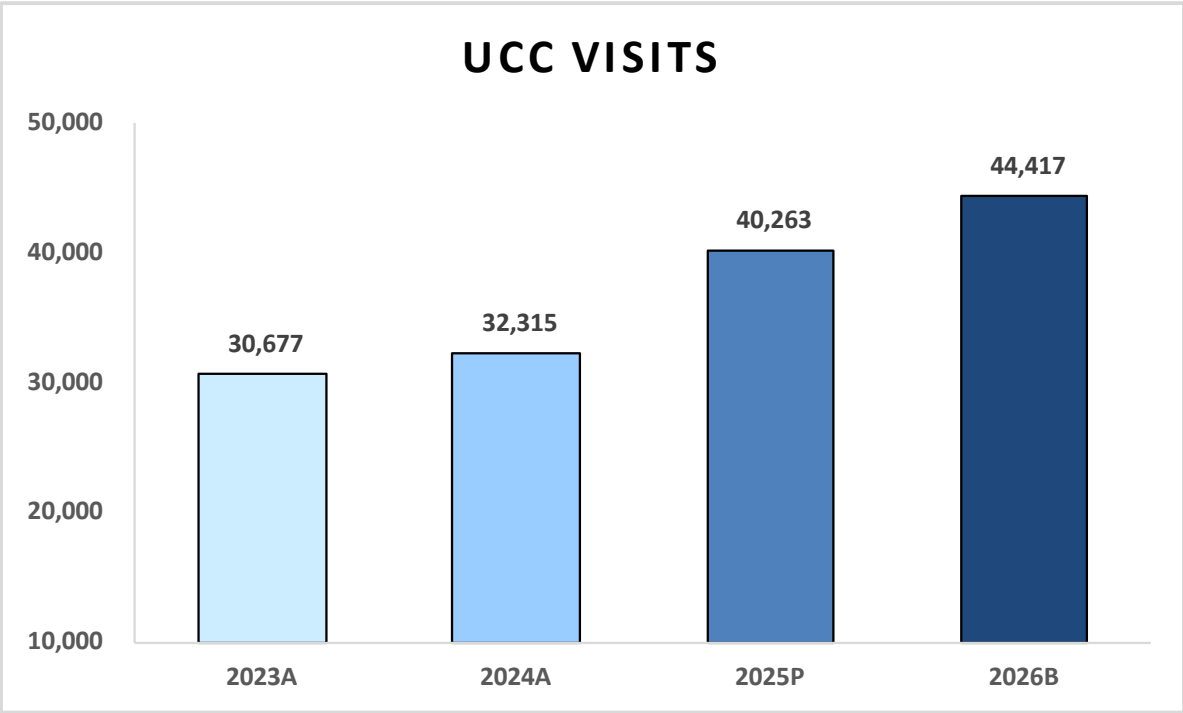
| | 2023A | 2024A | 2025P | 2026B | vs 2025P |
|------------|-------|-------|-------|-------|----------|
| Total Year | 1,503 | 1,510 | 1,521 | 1,512 | -0.6% |

*Average patient census includes inpatient and observation days

Volume Growth | 24/7 and UCC Visits

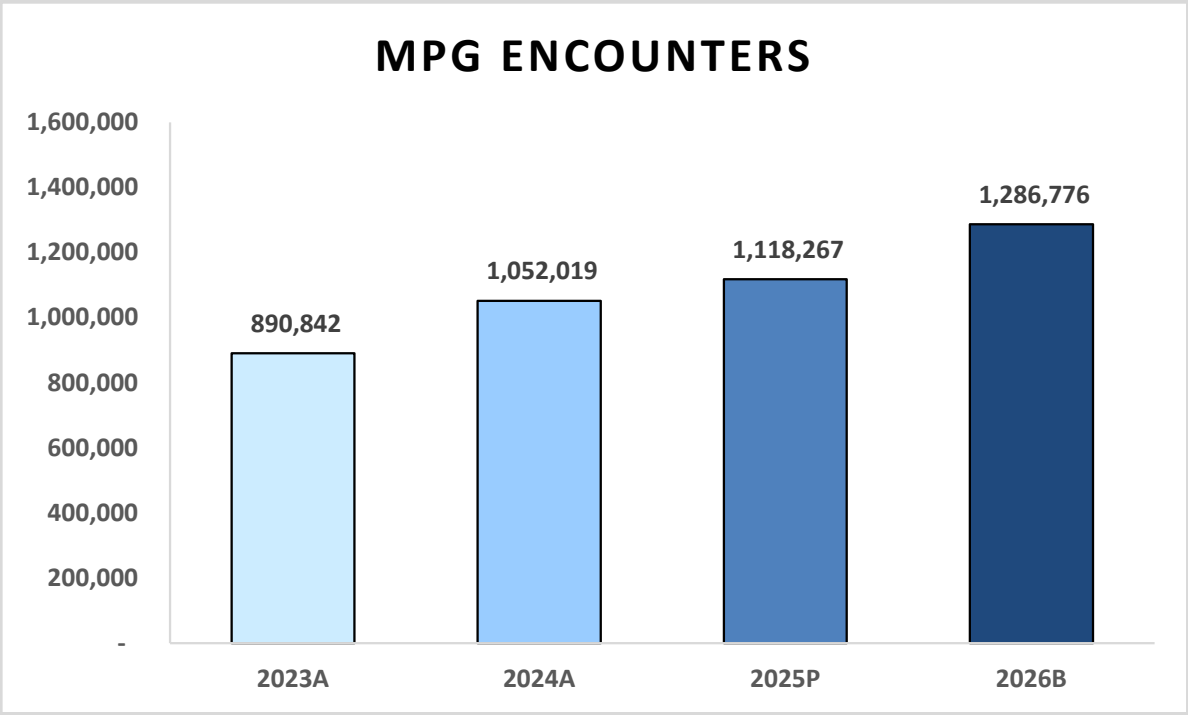


| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 56,414 | 53,857 | 51,101 | 48,806 | -4.5% |

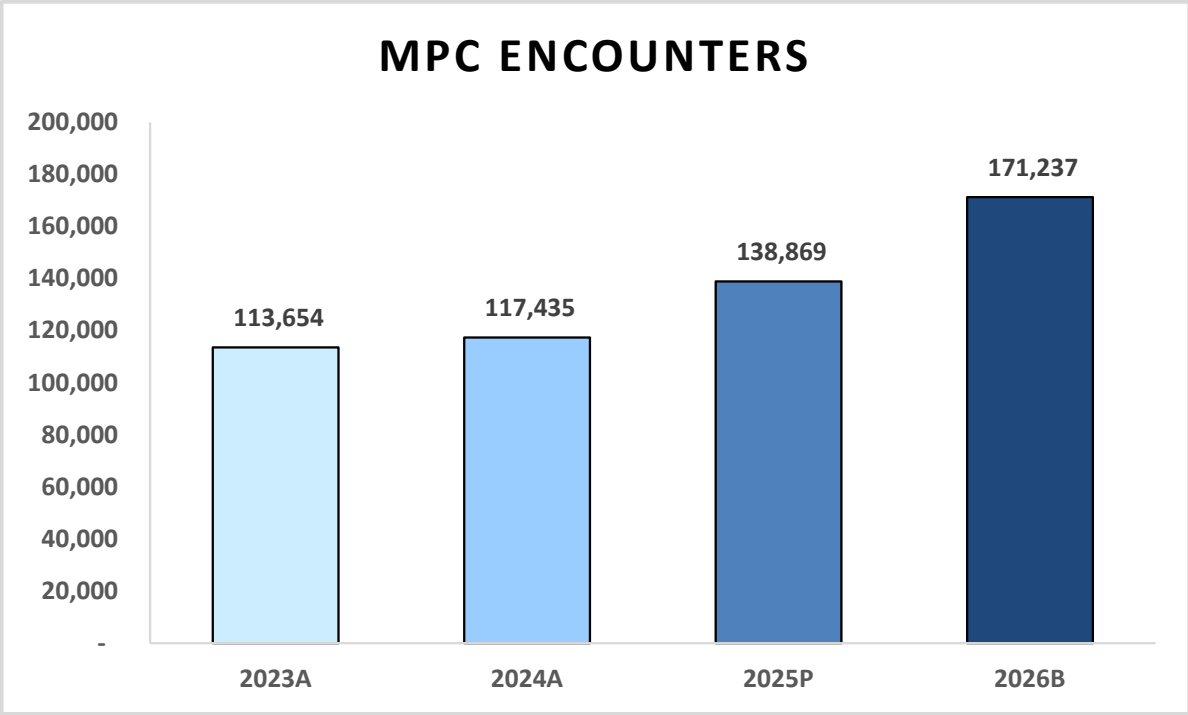


| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 30,677 | 32,315 | 40,263 | 44,417 | 10.3% |

Volume Growth | Physicians



| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 890,842 | 1,052,019 | 1,118,267 | 1,286,776 | 15.1% |



| | <u>2023A</u> | <u>2024A</u> | <u>2025P</u> | <u>2026B</u> | <u>vs 2025P</u> |
|------------|--------------|--------------|--------------|--------------|-----------------|
| Total Year | 113,654 | 117,435 | 138,869 | 171,237 | 23.3% |

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Key Financial Results

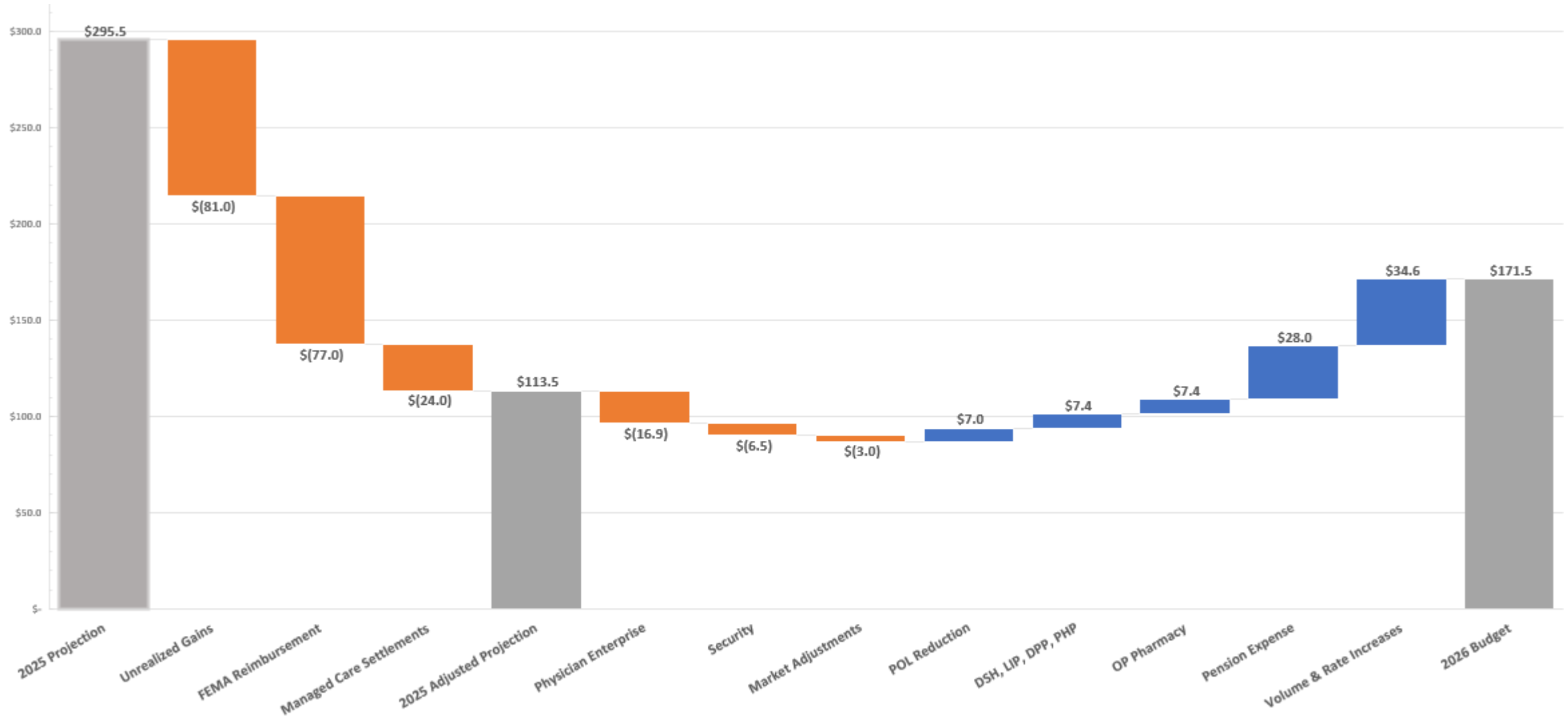
(\$ millions)

| | FY2025 Projection | FY2026 Budget | FY2026 vs. FY2025 |
|--|----------------------|------------------|----------------------|
| Net Revenues | \$ 3,470 | \$ 3,695 | \$ 225 |
| Total Operating Expenses | 3,393 | 3,585 | 193 |
| Income from Operations | 77 | 109 | 32 |
| Non-Operating Income | 219 | 62 | (157) |
| Excess of Revenues over Expenses | 296 | 171 | (124) |
| Adjusted EBIDA | 413 | 385 | (28) |
| Adjusted EBIDA % | 11.9% | 10.4% | -1.5% |
| Capital Expenditures, Net of Other Funding | 336 | 354 | 17 |

- ✓ **Income from operations** for FY2026 includes organic growth within capacity, strategic initiatives, continued improvement in throughput metrics and investments in new access points and existing facilities
- ✓ **Non-operating income** in FY2025 includes unrealized investment portfolio gains of \$81M and FEMA reimbursements of \$77M

FY2025 to FY2026 Waterfall: Bottom Line Change

Excess of Revenues over Expenses (\$ millions)



Memorial Healthcare System

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 79,737 | 79,818 | 81,394 | 1,576 | 2.0% |
| Rehab Admissions | 1,950 | 1,886 | 1,908 | 22 | 1.2% |
| Observation Discharges | 41,636 | 43,241 | 43,512 | 271 | 0.6% |
| Total Admissions (IP+Obs) | 121,373 | 123,059 | 124,906 | 1,847 | 1.5% |
| Patient Days | 487,554 | 484,160 | 483,804 | (356) | -0.1% |
| Observation Days | 65,032 | 71,139 | 68,049 | (3,090) | -4.3% |
| Total Patient Days (IP+Obs) | 552,586 | 555,299 | 551,854 | (3,445) | -0.6% |
| Hospital Outpatient Visits | 668,112 | 720,573 | 747,999 | 27,426 | 3.8% |
| 24/7 Visits | 53,857 | 51,101 | 48,806 | (2,295) | -4.5% |
| ER Visits | 399,258 | 387,639 | 385,951 | (1,688) | -0.4% |
| Cardiac Surgeries | 1,144 | 1,174 | 1,217 | 43 | 3.7% |
| Inpatient Surgeries (Non-Cardiac) | 13,955 | 14,163 | 14,773 | 610 | 4.3% |
| Outpatient Surgeries | 31,598 | 32,146 | 33,447 | 1,301 | 4.1% |
| Deliveries | 12,446 | 12,323 | 12,421 | 98 | 0.8% |

Memorial Healthcare System

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|--------------|------------|
| Inpatient Revenue | \$ 10,375,937 | \$ 11,255,875 | \$ 11,575,948 | \$ 320,073 | 2.8% |
| Outpatient Revenue | 9,772,843 | 11,180,656 | 11,733,826 | 553,170 | 5.0% |
| Gross Patient Revenue | 20,148,779 | 22,436,531 | 23,309,774 | 873,243 | 3.9% |
| Net Patient Revenue | 3,003,774 | 3,152,336 | 3,325,809 | 173,473 | 5.5% |
| Other Operating Revenue | 268,447 | 317,241 | 369,003 | 51,762 | 16.3% |
| Net Revenue | 3,272,220 | 3,469,577 | 3,694,812 | 225,236 | 6.5% |
| Salaries and Wages | 1,557,795 | 1,655,428 | 1,743,315 | 87,887 | 5.3% |
| Employee Benefits Expense | 238,238 | 284,122 | 274,889 | (9,232) | -3.3% |
| Professional Fees | 79,081 | 90,740 | 103,527 | 12,787 | 14.1% |
| Supplies Expense | 664,593 | 733,796 | 801,312 | 67,517 | 9.2% |
| Purchased Services | 240,218 | 237,462 | 238,031 | 569 | 0.2% |
| Facilities Expense | 91,361 | 98,143 | 108,641 | 10,498 | 10.7% |
| Depreciation & Amortization | 145,170 | 164,526 | 179,993 | 15,467 | 9.4% |
| Other Operating Expense | 109,000 | 128,449 | 135,680 | 7,231 | 5.6% |
| Total Operating Expense | 3,125,455 | 3,392,666 | 3,585,389 | 192,723 | 5.7% |
| Income/(Loss) From Operations | 146,765 | 76,910 | 109,423 | 32,513 | 42.3% |
| Total Non-Operating Income/(Loss) | 99,156 | 218,579 | 62,030 | (156,549) | -71.6% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 245,921 | \$ 295,490 | \$ 171,453 | \$ (124,036) | -42.0% |
| EBIDA | \$ 415,284 | \$ 413,113 | \$ 385,143 | \$ (27,971) | -6.8% |

Operating Expenses

\$ millions

| | FY2025 Projection | FY2026 Budget | FY2026 vs. FY2025 | FY2026 vs. FY2025 | |
|-----------------------------|----------------------|------------------|----------------------|----------------------|---|
| Salaries & Wages | \$ 1,655 | \$ 1,743 | \$ 88 | 5% | - Volume growth, focal point increases, market adjustments, shift from agency labor use, and physician growth |
| Employee Benefits | 284 | 275 | (9) | -3% | - Lower pension expense partially offset by FTE growth and health plan inflation |
| Professional Fees | 91 | 104 | 13 | 14% | - Physician and legal fees |
| Supplies Expense | 734 | 801 | 68 | 9% | - Volume and inflation increase driven by drugs, medical surgical supplies and implants |
| Purchased Services | 237 | 238 | 1 | 0% | - Lower agency utilization, partially offset by security services |
| Facilities Expense | 98 | 109 | 10 | 11% | - Increase in service contracts, repairs and maintenance, and rent expense |
| Depreciation & Amortization | 165 | 180 | 15 | 9% | - Incremental depreciation for capital expenditures |
| Other Operating Expense | 128 | 136 | 7 | 6% | - Increase in general insurance and AHCA fees |
| Total Operating Expense | \$ 3,393 | \$ 3,585 | \$ 193 | 6% | |

Incremental operating expense reflects volume growth and inflation factors

Salaries & Wages Expenses

\$ millions

| | FY2025 Projection | FY2026 Budget | FY2026 vs. FY2025 | FY2026 vs. FY2025 | |
|------------------------|----------------------|------------------|----------------------|----------------------|--|
| Regular & Overtime Pay | \$ 1,541 | \$ 1,632 | \$ 91 | 6% | - Volume growth, market adjustments, shift from agency labor use, and physician growth |
| Differential | 53 | 52 | (1) | -2% | |
| Other | 61 | 59 | (2) | -3% | - Fewer employees called-in for additional shifts, and lower physician director fees |
| Salaries & Wages | \$ 1,655 | \$ 1,743 | \$ 88 | 5% | |

Employee Benefits Expense

\$ millions

| | FY2025 Projection | FY2026 Budget | FY2026 vs. FY2025 | FY2026 vs. FY2025 | |
|--|----------------------|------------------|----------------------|----------------------|---|
| Pension, 401A and TSA Match | \$ 83 | \$ 55 | \$ (28) | -34% | - Lower pension expense due to pension investment results |
| Medical, Dental, and Vision | 78 | 87 | 9 | 11% | - Increase in FTEs and plan inflation |
| FICA | 113 | 124 | 11 | 10% | - Higher taxes due to higher salaries and wage expense |
| Scholarships and Tuition Reimbursement | 4 | 3 | (1) | | |
| Other | 6 | 6 | 0 | | |
| Employee Benefits Expense | \$ 284 | \$ 275 | \$ (9) | -3% | |

Supplies Expense

\$ millions

| | FY2025 Projection | FY2026 Budget | FY2026 vs. FY2025 | FY2026 vs. FY2025 | |
|------------------------------|----------------------|------------------|----------------------|----------------------|---|
| Drugs | \$ 357 | \$ 409 | \$ 53 | 15% | - Increase in OP, Specialty and Retail Pharmacy, patient volumes and 3.5% inflation |
| Medical Surgical | 155 | 163 | 8 | 5% | - Volume and 3% inflation |
| Implants | 85 | 89 | 4 | 5% | - Increase in surgeries and 1% inflation |
| Lab Reagents | 30 | 32 | 1 | 4% | - Volume and 3% inflation |
| Food and Nutrition | 25 | 27 | 1 | 4% | - Increased patient volume and 3% inflation |
| Robotics and Endomechanicals | 16 | 17 | 1 | 5% | - Higher robotics volume and 1% inflation |
| General Supplies | 39 | 37 | (1) | -4% | - Lower instruments expense |
| Other | 26 | 28 | 1 | 5% | |
| Supplies Expense | \$ 734 | \$ 801 | \$ 68 | 9% | |

Purchased Services Expense

\$ millions

| | FY2025 Projection | FY2026 Budget | FY2026 vs. FY2025 | FY2026 vs. FY2025 | |
|----------------------------|----------------------|------------------|----------------------|----------------------|---|
| Security Services | \$ 24 | \$ 28 | \$ 4 | 17% | - Expansion of security and safety initiatives |
| Purchased Outside Services | 54 | 57 | 2 | 5% | - New and existing service contracts |
| Reference Lab | 20 | 21 | 1 | 4% | - Growth in kidney transplants and cardiac surgery program |
| IT & Cloud Services | 29 | 30 | 1 | 2% | - Higher demand for IT and Cloud Services |
| Purchased Outside Labor | 15 | 8 | (7) | -44% | - Continued reduction in agency labor use |
| Other | 95 | 94 | (1) | -1% | - Stable costs in ambulance, perfusion, dialysis, lab, imaging, laundry, garbage, postage/courier, coding, and other services |
| Purchased Services | \$ 237 | \$ 238 | \$ 1 | 0% | |

Cash Sources & Uses

(\$ millions)

| | FY2025 Projection | FY2026 Budget |
|-------------------------------------|----------------------|------------------|
| Adjusted EBIDA | \$413 | \$385 |
| Grants and Foundation Funding | 13 | 20 |
| Total Cash Sources | 426 | 405 |
| Total Capital Expenditures | (349) | (374) |
| Debt Service (interest & principal) | (49) | (49) |
| Total Cash Uses | (398) | (423) |
| Net Cash Increase (Decrease) | 28 | (18) |
| Ending Cash & Investment Balance | \$ 2,687 | \$2,669 |
| Days Cash on Hand | 304 | 286 |

✓ Days cash on hand of 286 days is in-line with the current median for AA-equivalent rated hospitals

Proposed Capital Budget (in Thousands)

| Project Capital by Entity | FY2024 | FY2025 | FY2026 | FY2027+ |
|------------------------------|-------------------|-------------------|-------------------|---------------------|
| MHP | \$ 2,353 | \$ 16,034 | \$ 73,825 | \$ 74,349 |
| MHW | 27,668 | 20,916 | 40,658 | 101,685 |
| MCI | - | 770 | 31,976 | 21,907 |
| MRH | 41,804 | 80,657 | 31,849 | 784,128 |
| IT Capital | 34,863 | 22,824 | 22,637 | 3,223 |
| MRHS | 5,736 | 9,253 | 17,421 | 247,500 |
| MHM | 1,446 | 7,610 | 16,108 | 200,000 |
| MPC | 3,002 | 4,108 | 16,015 | 1,788 |
| MMNH | 169 | 1,722 | 15,977 | 32,700 |
| MPG | 13,190 | 8,254 | 14,898 | 14,300 |
| MPM | 2,464 | 9,208 | 14,487 | - |
| JDCH | 12,165 | 12,725 | 6,488 | - |
| SP | 3 | 147 | 1,953 | - |
| OTHER | - | 1,253 | 8,914 | - |
| Project and IT Total | \$ 144,862 | \$ 195,480 | \$ 313,208 | \$ 1,481,580 |
| Strategic Initiatives | - | 12,000 | 12,000 | 48,000 |
| Capital Reserve - MHS | - | 12,000 | 12,000 | 48,000 |
| Total Routine Capital | 35,217 | 33,527 | 36,554 | 140,966 |
| Special Board Appropriation* | - | 96,470 | | |
| FEMA Grants | - | (3,000) | (5,000) | - |
| MHS & JDCH Foundations | (15,000) | (10,000) | (15,000) | (60,000) |
| Total Capital | \$ 165,080 | \$ 336,478 | \$ 353,761 | \$ 1,658,546 |

Board Approved Capital \$ 325,427 \$ 306,438

Please refer to the Appendix for Capital Budget and Major Projects detail

**Special Board appropriation above the FY25 capital budget for the purchase of MHP of \$96,470*

2026 Major Projects

- MHP Douglas Road FSED
- Red Road FSED
- MCI Expansion
- MRH Surgical Platform and Bed Tower
- MHM MOB2 MRI, CT, Infusion

2026 Routine Capital

- Medical beds, monitors and equipment replacements
- Facility updates

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Investment in Strategic Goals

(\$ millions)

Free Standing EDs
MCI
Memorial Physician Group
MRH Master Plan
Other Strategic Goals
Total Investments

| FY2026 | | |
|--------|--------------|----------------------------|
| | Capital Cost | Incremental Operating Cost |
| | \$ 58.4 | \$ - |
| | 32.0 | - |
| | 14.9 | 15.6 |
| | 11.4 | - |
| | 12.0 | - |
| | \$ 128.7 | \$ 15.6 |

- ✓ Investments are consistent with the execution of our Strategic Goals
- ✓ Budgeting an additional \$12M for Strategic Goals that are still being prioritized and quantified

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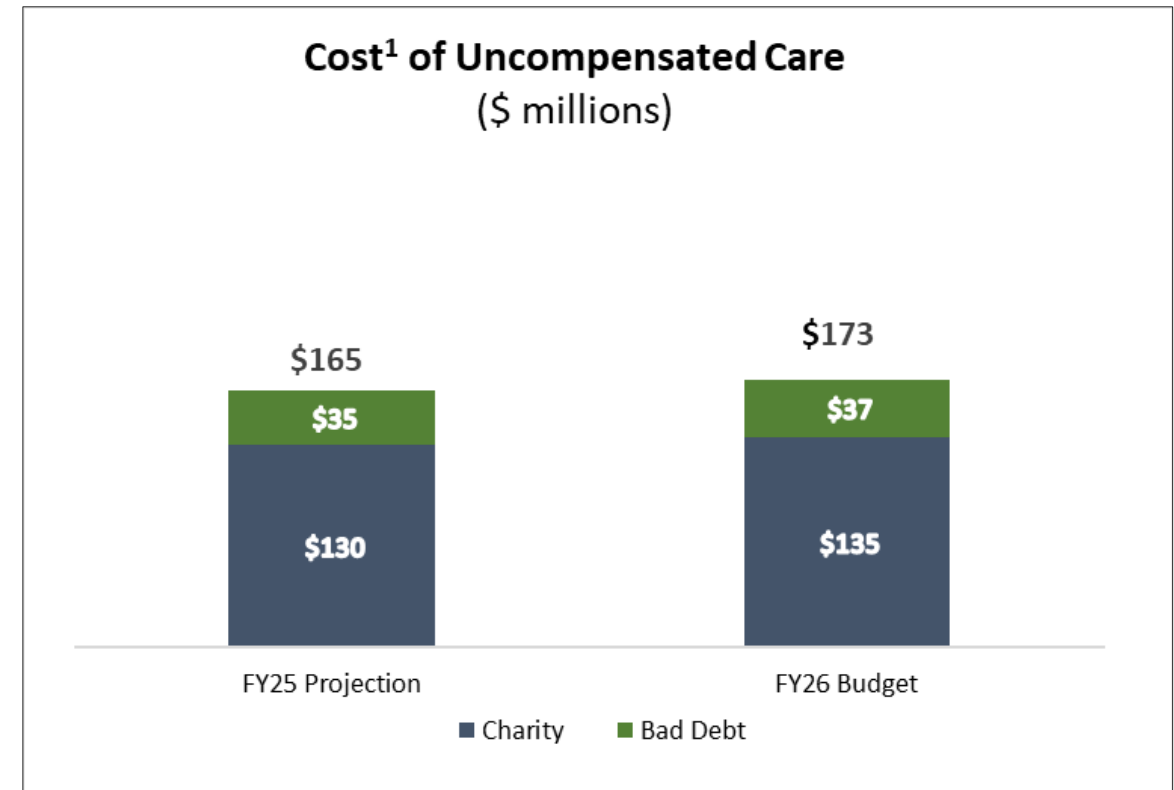
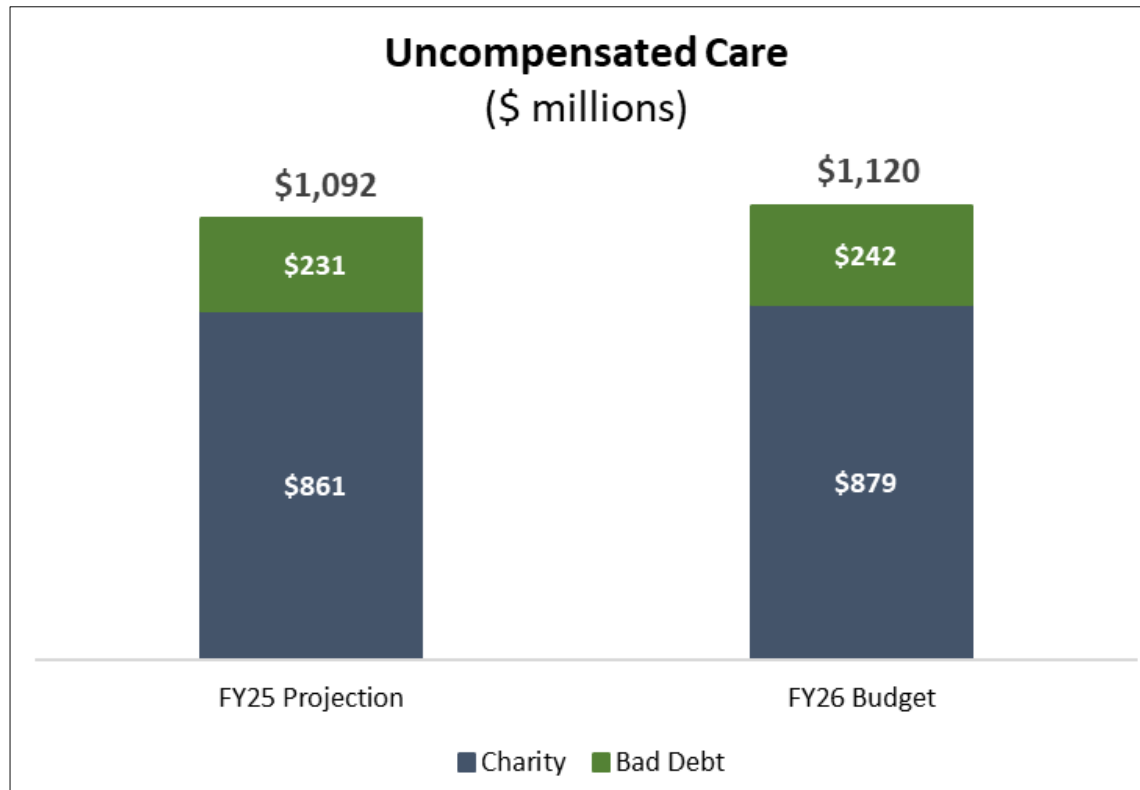
Projected Tax Budget

(\$ millions)

| | FY2025 Projection | FY2026 Budget Rolled-Back Rate | FY2026 Budget Break-Even Rate |
|--|----------------------|-----------------------------------|----------------------------------|
| Millage Rate (in mills) | 0.0869 | 0.0850 | 0.0970 |
| Gross Tax Revenues | \$7.9 | \$8.3 | \$9.4 |
| Less: Collection Costs | 0.2 | 0.2 | 0.2 |
| Net Tax Receipts | \$7.7 | \$8.1 | \$9.2 |
| Less: Governmental pass-through payments | 8.8 | 9.2 | 9.2 |
| Available for Uncompensated Care | (\$1.1) | (\$1.1) | \$0.0 |

- ✓ The Board of Commissioners will have the opportunity to set the millage rate during the Florida Department of Revenue Truth in Millage (TRIM) process

Uncompensated Care



Increased cost of care and higher number of uninsured patients translating into higher charity and bad debt

¹The cost of uncompensated care is calculated by applying a cost of care factor (i.e., Total Operating Expenses as a percentage of Total Gross Patient Revenue) to charity and bad debt charges

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Memorial Regional Hospital

Key Priorities

- **Patient Flow & Capacity**
 - Capacity – 8th floor available for acute surgical and medical patients
 - MHS focus – LOS reductions and throughput improvement
- **Quality, Safety, Patient Experience**
 - Leapfrog and CMS ratings
 - HCAHPS top quartile
- **Destination Services**
 - Destination center for tertiary and quaternary services
 - High-Risk Obstetric Services and MFM
 - MCI – Hallandale expansion and Moffit presence across district
 - Adult Kidney Transplant – nationally ranked and recognized program
 - MCVI – Tri-county leader in cardiac surgery, EP and complex cardiology
- **Facility/Infrastructure Improvements**
 - Emergency Department & trauma area renovation
 - Surgical platform & bed tower project – enabling stage
 - Bi-plane upgrade (neuro)
 - Adult Kidney Transplant clinic relocation
 - Parking expansion options

| | FY2026 |
|---------------------------|--------|
| Growth Rates | Budget |
| Admissions | 2.7% |
| Obs. Discharges | -0.9% |
| Deliveries | 2.5% |
| Outpatient Visits | 3.6% |
| ED Visits | 0.6% |
| Cardiac Surgeries | 2.6% |
| IP Surgeries ¹ | 2.5% |
| OP Surgeries ¹ | 6.1% |
| Net Revenue | 5.6% |
| Operating Expenses | 5.1% |

\$ Millions

| | |
|----------------------|---------|
| Net Excess (Deficit) | \$62.4 |
| EBIDA | \$102.2 |

¹Excluding cardiac surgeries

Joe DiMaggio Children's Hospital

Key Priorities

- Quality, Safety, Patient Experience**
 - Training and Professional Development Program
 - National Children's Hospitals "Solutions for Patient Safety" Initiative
 - Vascular Access Team Expansion
- Patient Flow & Capacity**
 - Optimize Diagnostic Services & Access
 - Improve Hollywood Capacity for Outpatient Services
 - Pediatric Operating Room/Procedure Efficiencies
 - NICU Planning
- Service Growth**
 - External Relations – Focus on Schools
 - U-18 Ortho Expansion
 - Heart Institute Expansion
 - Outpatient Diagnostic/Service Planning
 - Philanthropy
- Facility/Infrastructure**
 - Upgrades to Imaging & Other Equipment/Instrumentation

| | FY2026 |
|---------------------------|--------|
| Growth Rates | Budget |
| Admissions | -0.3% |
| Obs Discharges | 5.5% |
| Outpatient Visits | 4.7% |
| ED Visits | -4.9% |
| Cardiac Surgeries | 6.7% |
| IP Surgeries ¹ | 13.9% |
| OP Surgeries ¹ | 3.9% |
| Net Revenue | 5.7% |
| Operating Expenses | 2.5% |

| \$ Millions | |
|----------------------|--------|
| Net Excess (Deficit) | \$30.1 |
| EBIDA | \$54.1 |

¹Excluding cardiac surgeries

Memorial Regional Hospital South & Memorial Manor

Key Priorities

- **Patient Flow & Volumes**
 - New CT Scanner and Outpatient Rehab Hollywood
 - Outpatient surgery: MSK and Breast service lines
 - Inpatient rehab MPG strategy
 - Maximize 4th floor acute/rehab mix
- **Quality, Safety, Memorial Experience**
 - Upskill Acute Rehab Care and complexity in procedural areas
 - LEAPFROG, OAS CAPS improvement and readmission reduction
- **Service Line Development**
 - MSK service line continued development
 - IP Rehab - admission time improvement
 - Memorial Sports Medicine / Miami Sharks affiliation
- **Facility/Infrastructure Improvements**
 - Outpatient physical therapy expansion
 - 2nd CT scanner project and radiology room replacement

Memorial Manor

- Expand capacity for medically complex patients - 25 piped-in oxygen beds
- Optimize short term vs long term beds (expedite SNF discharges)
- Single Payer Agreement (SPA) to decompress hospitals

| MRHS Growth Rates | FY2026 Budget |
|--------------------|---------------|
| Total Admissions | 1.5% |
| Rehab Admissions | 1.2% |
| Obs Discharges | 1.7% |
| Outpatient Visits | 2.4% |
| ED Visits | 0.6% |
| IP Surgeries | 0.3% |
| OP Surgeries | 7.8% |
| Net Revenue | 4.1% |
| Operating Expenses | 3.7% |

MRHS \$ Millions

| | |
|----------------------|---------|
| Net Excess (Deficit) | (\$3.2) |
| EBIDA | \$4.4 |

Memorial Hospital West

Key Priorities

- **Patient Flow & Volume**

- Continued growth of OP volume (MCI, Rehab Services, Women’s Center)
- LOS reductions (GMLOS) & throughput improvements

- **Service Line Development**

- MCI Building Expansion
 - Shell > Infusion Bay Expansion
 - Mobile MRI Trailer
- MCI Radiation Oncologist Physician
 - Additional Rad Onc starting July 2025
 - Expanded hours of operation
- Moffitt partnership
 - Addition of 10th Moffitt Physician in July 2025
- MCVI
 - Centralized services with renovation of 801 building: +6 incremental exam rooms; +10 incremental Physician offices; additional CT for OP imaging
- Continued Robotic & Surgical growth
- Joint Replacement Center of Excellence
- Memorial Neuroscience Institute

- **Facility/Infrastructure Improvements**

- Family Birthplace
- CT scanner
- CCL and IR Equipment replacement/upgrade
- ER Expansion planning

| | FY2026 |
|--------------------|--------|
| Growth Rates | Budget |
| Admissions | 1.9% |
| Obs Discharges | 0.0% |
| Outpatient Visits | 3.0% |
| ED Visits | 0.7% |
| IP Surgeries | 4.6% |
| OP Surgeries | 2.1% |
| Deliveries | -1.0% |
| Net Revenue | 6.4% |
| Operating Expenses | 4.7% |

\$ Millions

| | |
|----------------------|---------|
| Net Excess (Deficit) | \$95.7 |
| EBIDA | \$132.8 |

Memorial Hospital Pembroke

Key Priorities

- **Patient Flow & Capacity**
 - Case Management Initiative – LOS and throughput to improve capacity
 - Maximize bed utilization through Care Coordination Center
- **Service Line Development**
 - Surgical Services
 - General & Acute Surgery
 - Renovated ORs 7 & 8
 - Reflux Wellness Program
 - Bariatric & Hernia Surgeries
 - Aquablation
 - Wound Care/Hyperbaric Center – addition of 4th hyperbaric chamber
 - Outpatient Imaging – expanded outpatient schedules
 - Outpatient Specialty Infusion
- **Facility/Infrastructure Improvements**
 - Douglas Road and Red Road Free Standing Emergency buildings
 - Develop plan for MRI inside hospital building
 - Roof replacement and building envelope repair
 - Develop Master plan for future facility improvements and expansion

| | FY2026 |
|--------------------|--------|
| Growth Rates | Budget |
| Admissions | 1.8% |
| Obs Discharges | 1.7% |
| Outpatient Visits | 2.6% |
| ED Visits | 0.6% |
| 24/7 Visits | -4.5% |
| IP Surgeries | 4.1% |
| OP Surgeries | 5.1% |
| Net Revenue | 0.8% |
| Operating Expenses | -1.6% |

| \$ Millions | |
|----------------------|--------|
| Net Excess (Deficit) | \$7.4 |
| EBIDA | \$16.5 |

Memorial Hospital Miramar

Key Priorities

- **Patient Flow, Capacity & Access**
 - Expanded inpatient overflow capacity
 - Expanded access to outpatient services
 - MHS focus – ALOS reductions and throughput improvement
 - Case Management, Social Work & Utilization Review optimization
- **Quality, Safety, Patient Experience**
 - Maintain Leapfrog and CMS ratings excellence
 - Maintain HCAHPS top quartile
- **Service Line Development**
 - Obstetric services & Level III Neonatal care
 - Continued growth in adult & pediatric surgery, including robotics
 - Continued development of orthopedic surgery
 - Expanded adult imaging capability, including MFM, cardiac and prostate testing
 - Expanded pediatric advanced imaging capability, including anesthesia
 - Expanded benign & specialty outpatient infusions
- **Facility/Infrastructure Improvements**
 - Completion & Opening of MOB2 MRI/CT/Infusion/Lab Area
 - ER Overflow Space Relocation/Expansion & X-Ray Replacement
 - Master Site Planning

| | FY2026 |
|--------------------|--------|
| Growth Rates | Budget |
| Admissions | 1.5% |
| Obs Discharges | -0.8% |
| Outpatient Visits | 6.9% |
| ED Visits | -0.1% |
| IP Surgeries | 2.8% |
| OP Surgeries | 2.1% |
| Deliveries | 0.0% |
| Net Revenue | 5.3% |
| Operating Expenses | 3.8% |

| \$ Millions | |
|----------------------|--------|
| Net Excess (Deficit) | \$73.5 |
| EBIDA | \$85.3 |

Memorial Physician Group

Key Priorities

- **Patient Flow & Capacity**
 - Optimize Physician and APP workforce to achieve key priorities including increased access to care, timeliness of care, and high-quality care.
- **Service Line Development to support System Initiatives and ER Coverage gaps**
 - Pediatric Cardiology
 - Gastroenterology
 - Adult and Pediatric Otolaryngology
 - Neurology (Stroke Program)
 - Urology
 - Maternal Fetal Medicine
- **Facility/Infrastructure Improvements**
 - Further development of the Centralized Patient Access Center

| | FY2026 |
|---------------|--------|
| Growth Rates | Budget |
| Encounters | 15.1% |
| Net Revenue | 16.2% |
| Operating Exp | 14.6% |

| \$ Millions | |
|----------------|-----------|
| Net Investment | (\$182.2) |
| EBIDA | (\$172.8) |

Memorial Primary Care & Urgent Care Centers

Key Priorities

- **Service Line Development & Facility/Infrastructure Improvements**
 - Development of the Maternal Health Program in collaboration with Broward Health
 - Expand geographic footprint for primary care medical services:
 - Plantation
 - Cooper City / Davie
 - Expansion of Sickle Cell Program
 - Expansion of Virtualist/Same Day Program
 - Addition of 2nd Pediatric Mobile Van
 - Continued focus on growth of Palm Springs North Urgent Care Center

| | FY2026 |
|--------------------|--------|
| MPC Growth Rates | Budget |
| Medical Encounters | 23.3% |
| Net Revenue | 7.0% |
| Operating Exp | 10.5% |

| MPC \$ Millions | |
|----------------------|----------|
| Net Excess (Deficit) | (\$11.2) |
| EBIDA | (\$9.0) |

| | FY2026 |
|------------------|--------|
| UCC Growth Rates | Budget |
| Visits per Day | 10.3% |
| Net Revenue | 9.7% |
| Operating Exp | 6.4% |

| UCC (\$ Millions) | |
|----------------------|---------|
| Net Excess (Deficit) | (\$1.6) |
| EBIDA | (\$0.9) |

CONCLUSIONS



With Board approval, this will be the highest budgeted Net Operating Income in the history of the South Broward Hospital District



Memorial Healthcare System maintains its strong balance sheet that underscores our ongoing financial viability (“AA” S&P credit rating)



FY2026 will require investments in growth capital, infrastructure and our people



Our primary focus remains our community, our patients, our employees and our taxpayers



ANNUAL BUDGET FISCAL YEAR 2026

MAY 1, 2025 – APRIL 30, 2026



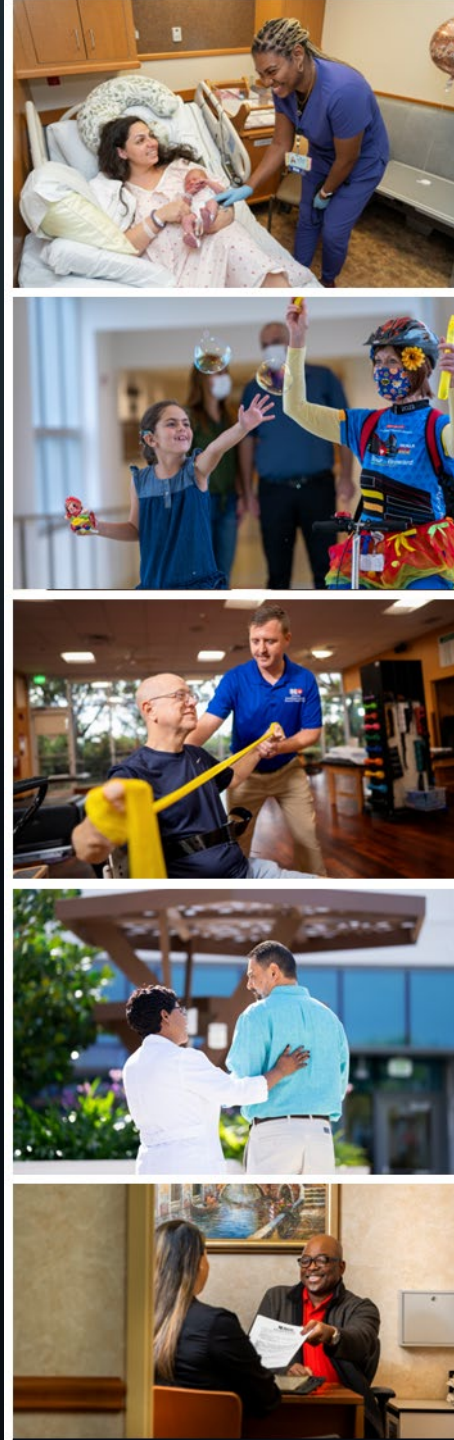
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Memorial Healthcare System

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 79,737 | 79,818 | 81,394 | 1,576 | 2.0% |
| Rehab Admissions | 1,950 | 1,886 | 1,908 | 22 | 1.2% |
| Observation Discharges | 41,636 | 43,241 | 43,512 | 271 | 0.6% |
| Total Admissions (IP+Obs) | 121,373 | 123,059 | 124,906 | 1,847 | 1.5% |
| Patient Days | 487,554 | 484,160 | 483,804 | (356) | -0.1% |
| Observation Days | 65,032 | 71,139 | 68,049 | (3,090) | -4.3% |
| Total Patient Days (IP+Obs) | 552,586 | 555,299 | 551,854 | (3,445) | -0.6% |
| Hospital Outpatient Visits | 668,112 | 720,573 | 747,999 | 27,426 | 3.8% |
| 24/7 Visits | 53,857 | 51,101 | 48,806 | (2,295) | -4.5% |
| ER Visits | 399,258 | 387,639 | 385,951 | (1,688) | -0.4% |
| Cardiac Surgeries | 1,144 | 1,174 | 1,217 | 43 | 3.7% |
| Inpatient Surgeries (Non-Cardiac) | 13,955 | 14,163 | 14,773 | 610 | 4.3% |
| Outpatient Surgeries | 31,598 | 32,146 | 33,447 | 1,301 | 4.1% |
| Deliveries | 12,446 | 12,323 | 12,421 | 98 | 0.8% |

Memorial Healthcare System

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 | | FY 2025 | | FY 2026 | | Variance | % Variance |
|--|---------|------------|-----------|------------|---------|------------|--------------|------------|
| | Actual | | Projected | | Budget | | | |
| Inpatient Revenue | \$ | 10,375,937 | \$ | 11,255,875 | \$ | 11,575,948 | \$ 320,073 | 2.8% |
| Outpatient Revenue | | 9,772,843 | | 11,180,656 | | 11,733,826 | 553,170 | 5.0% |
| Gross Patient Revenue | | 20,148,779 | | 22,436,531 | | 23,309,774 | 873,243 | 3.9% |
| Net Patient Revenue | | 3,003,774 | | 3,152,336 | | 3,325,809 | 173,473 | 5.5% |
| Other Operating Revenue | | 268,447 | | 317,241 | | 369,003 | 51,762 | 16.3% |
| Net Revenue | | 3,272,220 | | 3,469,577 | | 3,694,812 | 225,236 | 6.5% |
| Salaries and Wages | | 1,557,795 | | 1,655,428 | | 1,743,315 | 87,887 | 5.3% |
| Employee Benefits Expense | | 238,238 | | 284,122 | | 274,889 | (9,232) | -3.3% |
| Professional Fees | | 79,081 | | 90,740 | | 103,527 | 12,787 | 14.1% |
| Supplies Expense | | 664,593 | | 733,796 | | 801,312 | 67,517 | 9.2% |
| Purchased Services | | 240,218 | | 237,462 | | 238,031 | 569 | 0.2% |
| Facilities Expense | | 91,361 | | 98,143 | | 108,641 | 10,498 | 10.7% |
| Depreciation & Amortization | | 145,170 | | 164,526 | | 179,993 | 15,467 | 9.4% |
| Other Operating Expense | | 109,000 | | 128,449 | | 135,680 | 7,231 | 5.6% |
| Total Operating Expense | | 3,125,455 | | 3,392,666 | | 3,585,389 | 192,723 | 5.7% |
| Income/(Loss) From Operations | | 146,765 | | 76,910 | | 109,423 | 32,513 | 42.3% |
| Total Non-Operating Income/(Loss) | | 99,156 | | 218,579 | | 62,030 | (156,549) | -71.6% |
| Excess/(Deficit) of Revenues Over Expenses | \$ | 245,921 | \$ | 295,490 | \$ | 171,453 | \$ (124,036) | -42.0% |
| EBIDA | \$ | 415,284 | \$ | 413,113 | \$ | 385,143 | \$ (27,971) | -6.8% |

Capital Budget | Total by Entity

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | FY 2027 + Future |
|---|-----------------------|-----------------------|-----------------------|-------------------------|
| Memorial Hospital Pembroke | \$ 6,315,871 | \$ 18,684,370 | \$ 76,825,110 | \$ 88,849,059 |
| Memorial Hospital West | 37,234,068 | 28,967,353 | 49,658,480 | 137,684,914 |
| Memorial Regional Hospital | 49,263,382 | 90,810,591 | 42,002,579 | 824,744,328 |
| Memorial Cancer Institute | - | 953,645 | 32,452,784 | 21,907,397 |
| Information Technology | 34,863,068 | 22,823,522 | 22,636,960 | 3,222,761 |
| Memorial Hospital Miramar | 5,975,577 | 12,260,223 | 21,508,400 | 218,000,000 |
| Memorial Regional Hospital South | 7,919,354 | 11,740,587 | 19,730,298 | 258,750,000 |
| Memorial Primary Care | 3,002,233 | 4,108,141 | 16,213,492 | 1,787,600 |
| Memorial Physician Group | 15,205,972 | 9,677,867 | 16,063,370 | 14,300,000 |
| Property Management | 2,975,494 | 9,359,119 | 14,487,000 | - |
| Joe DiMaggio Children's Hospital | 16,995,454 | 16,225,378 | 9,988,100 | 20,000,000 |
| Other Entities | 329,347 | 3,397,183 | 28,194,714 | 33,300,000 |
| Capital Reserve - MHS | - | 12,000,000 | 12,000,000 | 48,000,000 |
| Other Strategic Goals | - | 12,000,000 | 12,000,000 | 48,000,000 |
| Special Board Appropriation | - | 96,470,000 | - | - |
| Total Capital Expenditures Budget | \$ 180,079,820 | \$ 349,477,979 | \$ 373,761,288 | \$ 1,718,546,059 |
| FEMA Grants | - | (3,000,000) | (5,000,000) | - |
| Contributions from Foundations | (15,000,000) | (10,000,000) | (15,000,000) | (60,000,000) |
| Total Capital Expenditures Budget, Net | \$ 165,079,820 | \$ 336,477,979 | \$ 353,761,288 | \$ 1,658,546,059 |

Capital Budget | Major Projects

| Entity | Project | FY 2025 Projected | FY 2026 Budget | FY 2027 + Future |
|--------|---------------------------------------|----------------------|-------------------|------------------|
| MHP | Douglas Rd Free Standing ED | \$ 7,454,061 | \$ 34,050,177 | \$ 9,730,259 |
| MHP | Red Road Free Standing ED | 3,725,958 | 24,308,623 | 6,428,800 |
| MCI | MCI MRH Hallandale Infusion Expansion | 183,945 | 15,065,040 | - |
| MHW | MCI Conversion to MCVI | 1,114,996 | 12,380,300 | - |
| MRH | Surgical platform & bed tower project | 16,370,806 | 11,445,910 | 712,657,728 |
| MHM | MOB2 MRI, CT, Infusion & Lab | 956,280 | 11,276,900 | - |
| IT | IT Routine | 34,116 | 8,554,244 | 2,138,561 |
| MCI | MCI MHW Infusion Expansion | 586,000 | 8,414,344 | - |
| MHW | MHW ED/OR Expansion (design only) | - | 8,000,000 | 92,000,000 |
| MPC | Other Projects | 533,650 | 7,150,400 | 1,787,600 |
| MRH | ER & Trauma renovation | 8,813,713 | 6,631,300 | - |
| MMNH | Manor FEMA Hardening | 736,419 | 6,098,400 | - |
| MPG | Peds Specialty Center VCC 3rd Flr | - | 5,500,000 | - |
| MHP | MHP Roof/Envelope Repair | 1,350,048 | 5,350,000 | 1,000,000 |
| MCI | MRH Therapy Room 1 (LINAC Replace) | - | 5,334,000 | - |
| MRHS | MRHS CT Imaging Suite Addition | 330,666 | 5,213,150 | - |
| MPM | MOB Infrastructure | - | 4,500,000 | - |
| MHW | MHW CV Room #2 | 50,000 | 4,300,000 | - |
| MHP | MRI Replacement | - | 4,000,000 | 1,000,000 |
| JDCH | CT Replacement | 600,000 | 3,900,000 | - |
| MHW | MHW CT Scan | 133,961 | 3,786,500 | - |

Capital Budget | Major Projects (Continued)

| Entity | Project | FY 2025 Projected | FY 2026 Budget | FY 2027 + Future |
|--------|---|----------------------|-------------------|------------------|
| CORP | 7029-7031 Taft Community Service | \$ - | \$ 3,651,600 | \$ - |
| MPC | MPC/UCC Cooper City Medical Center | - | 3,500,000 | - |
| MPM | MOC 1150 Bathroom/Common Areas | 274,980 | 3,500,000 | - |
| CORP | MHS Foundation | - | 3,320,624 | - |
| MRHS | MRHS Remediation | 1,000,000 | 3,300,000 | - |
| MMNH | Manor Piped-in O2 | 502,350 | 3,286,000 | - |
| MMNH | Manor Expansion | - | 3,186,000 | 28,000,000 |
| MMNH | Manor Generator/ATS Replacement | 400,000 | 3,107,000 | - |
| MRH | Bi-Plane replacement (Neuro) | 643,600 | 2,858,400 | - |
| MRH | Kidney Transplant Clinic relocation | 699,378 | 2,787,832 | - |
| MHW | Structural Garage and Envelope Repairs | 730,785 | 2,500,000 | 9,684,914 |
| MPG | WPB Pediatric Cardiology | - | 2,500,000 | - |
| MPM | Wellington Envelope Repairs | - | 2,500,000 | - |
| MRH | Interventional Radiology replacement | - | 2,491,800 | 2,170,600 |
| MHW | MHW IR #2 Replacement | 148,200 | 2,461,800 | - |
| MRHS | Air Handler Unit 3 | - | 2,127,600 | - |
| IT | Mobile Cart Replacement (RFP Award) | - | 2,100,000 | 525,000 |
| IT | Annual Equipment Refresh (Desktop/Laptop/Printer) | - | 2,100,000 | - |
| MHW | Elevator Modernization | 320,625 | 2,100,000 | - |
| MPC | Buildout Dania Beach Center | 1,041,959 | 2,079,325 | - |
| MPG | MHW Suite 151 Vascular Surgery | - | 2,045,300 | - |

Capital Budget | Major Projects (Continued)

| Entity | Project | FY 2025 Projected | FY 2026 Budget | FY 2027 + Future |
|--------------------------------------|--|-----------------------|-----------------------|-------------------------|
| IT | IT Infrastructure FY25 | \$ 4,157,697 | \$ 2,039,337 | \$ - |
| JDCH | CS MRI Magnet upgrade | 600,000 | 2,000,000 | - |
| MPM | 3111 Infrastructure (Generator/Fire Alarm) | 250,000 | 2,000,000 | - |
| MRHS | Pedestrian Bridge Rehab | 104,000 | 1,996,000 | - |
| MHM | ER Overflow Space Relocations | 210,100 | 1,989,900 | - |
| CORP | MHS Childcare Expansion | - | 1,942,250 | - |
| MPC | UCC East - Add CT with Ultrasound | - | 1,879,967 | - |
| MCI | MCI MHW - add MRI | - | 1,662,400 | 8,040,600 |
| PHARM | Pharmacy Central Distribution | 146,600 | 1,653,400 | - |
| MRH | Chiller replacement | 100,000 | 1,500,000 | - |
| MHW | OR Electrical Upgrade | - | 1,500,000 | - |
| MHP | MHP Chiller Repl/CEP Upgrade | 110,000 | 1,500,000 | 3,640,000 |
| MPG | MHW Suite 210 Otolaryngology | - | 1,500,000 | - |
| MRH | Elevator replacement #2 | 387,000 | 1,433,301 | - |
| MHW | X-Ray / Fluoroscopy Relocation | 106,552 | 1,395,448 | - |
| MRHS | Elevator Modernization | - | 1,295,000 | - |
| IT | Epic Tier Volume and Cache License Increases in FY26 | - | 1,231,200 | - |
| IT | FY26 -Wireless Phone Device Refresh | - | 1,200,000 | 300,000 |
| IT | IT Adaptive and Workforce Planning | - | 1,200,000 | - |
| | All Other Projects | 140,572,034 | 29,526,779 | 602,475,997 |
| Total - Major Projects Detail | | \$ 195,480,480 | \$ 313,207,552 | \$ 1,481,580,059 |

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Projected Tax Budget ⁽¹⁾

| | | FY 2025 Projection | FY 2026 Projected Budget | Variance |
|--|------------------|------------------------|-----------------------------|--------------|
| ASSESSED VALUATIONS (In Thousands) | | | | |
| Base from Prior Year | | \$ 90,903,111 | \$ 90,903,111 | |
| Add: Impact of 5% increase in market values | | | 4,545,000 | |
| Subtotal | | | 95,448,111 | |
| Add: Estimated New Construction (2%) | | | 1,818,000 | |
| Base for Budget Year | | | 97,266,111 | 7.0% |
| TAX LEVY - INDIGENT CARE & OTHER | | | | |
| Millage Rate | | 0.0869 | 0.0850 | -2.2% |
| Gross Tax Revenues | A | \$ 7,899,000 | \$ 8,268,000 | 4.7% |
| <u>Less: Collection Costs</u> | | | | |
| Discounts on Taxes | | 37,000 | 39,000 | 5.4% |
| Uncollectible Taxes, Net of Recoveries | | - | - | |
| Revenue Collection Fees | | 157,000 | 165,000 | 5.1% |
| Subtotal Collection Costs | B | \$ 194,000 | \$ 204,000 | 5.2% |
| Tax Receipts | C = A - B | 7,705,000 | 8,064,000 | 4.7% |
| <u>Less: Governmental Pass-Through Payments</u> | | | | |
| Medicaid Program Match Expense | | 8,409,000 | 8,623,000 | 2.5% |
| Community Redevelopment Agencies | | 369,000 | 377,000 | 2.2% |
| Property Appraisers Fee | | 46,000 | 177,000 | 284.8% |
| Subtotal Pass-Through Payments | D | \$ 8,824,000 | \$ 9,177,000 | 4.0% |
| Amounts Available for Discretionary Funding | E = C - D | (1,119,000) | (1,113,000) | -0.5% |
| | | | | |
| Uncollectible Accounts | | \$ 230,851,433 | \$ 241,878,352 | 4.8% |
| Charity Care | | 861,086,561 | 878,573,837 | 2.0% |
| Total Uncompensated Care | | \$1,091,937,994 | \$ 1,120,452,189 | 2.6% |

(1) FY2026 Estimates / Final Tax budget is determined during Truth In Millage (TRIM) process

Memorial Regional Hospital

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 29,139 | 29,282 | 30,071 | 789 | 2.7% |
| Observation Discharges | 12,662 | 13,777 | 13,648 | (129) | -0.9% |
| Total Admissions (IP+Obs) | 41,801 | 43,059 | 43,719 | 660 | 1.5% |
| Patient Days | 181,213 | 176,927 | 178,396 | 1,469 | 0.8% |
| Observation Days | 19,034 | 23,236 | 20,559 | (2,677) | -11.5% |
| Total Patient Days (IP+Obs) | 200,247 | 200,163 | 198,955 | (1,208) | -0.6% |
| Hospital Outpatient Visits | 141,856 | 153,716 | 159,230 | 5,514 | 3.6% |
| ER Visits | 96,920 | 96,977 | 97,563 | 586 | 0.6% |
| Cardiac Surgeries | 842 | 862 | 884 | 22 | 2.6% |
| Inpatient Surgeries (Non-Cardiac) | 5,551 | 5,998 | 6,149 | 151 | 2.5% |
| Outpatient Surgeries | 5,029 | 4,928 | 5,230 | 302 | 6.1% |
| Deliveries | 4,978 | 5,151 | 5,281 | 130 | 2.5% |

Memorial Regional Hospital

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|-------------|------------|
| Inpatient Revenue | \$ 4,095,850 | \$ 4,497,447 | \$ 4,569,197 | \$ 71,749 | 1.6% |
| Outpatient Revenue | 3,036,194 | 3,538,097 | 3,736,418 | 198,321 | 5.6% |
| Gross Patient Revenue | 7,132,044 | 8,035,544 | 8,305,615 | 270,071 | 3.4% |
| Net Patient Revenue | 1,002,678 | 1,055,646 | 1,102,427 | 46,781 | 4.4% |
| Other Operating Revenue | 41,570 | 46,672 | 61,724 | 15,052 | 32.3% |
| Net Revenue | 1,044,248 | 1,102,319 | 1,164,152 | 61,833 | 5.6% |
| Salaries and Wages | 408,350 | 433,045 | 449,683 | 16,638 | 3.8% |
| Employee Benefits Expense | 62,166 | 72,431 | 68,959 | (3,472) | -4.8% |
| Professional Fees | 14,577 | 15,592 | 19,138 | 3,547 | 22.8% |
| Supplies Expense | 222,271 | 254,000 | 280,474 | 26,475 | 10.4% |
| Purchased Services | 45,076 | 42,255 | 39,622 | (2,634) | -6.2% |
| Facilities Expense | 26,599 | 26,968 | 27,935 | 967 | 3.6% |
| Depreciation & Amortization | 25,059 | 27,108 | 32,256 | 5,148 | 19.0% |
| Other Operating Expense | 22,604 | 24,691 | 25,435 | 744 | 3.0% |
| Intrasystem Allocation | 135,252 | 145,443 | 150,717 | 5,274 | 3.6% |
| Total Operating Expense | 961,954 | 1,041,533 | 1,094,219 | 52,686 | 5.1% |
| Income/(Loss) From Operations | 82,294 | 60,786 | 69,932 | 9,146 | 15.1% |
| Total Non-Operating Income/(Loss) | 4,936 | 19,193 | (7,579) | (26,772) | -139.5% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 87,229 | \$ 79,979 | \$ 62,354 | \$ (17,626) | -22.0% |
| EBIDA | \$ 120,977 | \$ 115,811 | \$ 102,206 | \$ (13,605) | -11.7% |

Joe DiMaggio Children's Hospital

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 5,654 | 5,405 | 5,387 | (18) | -0.3% |
| Observation Discharges | 4,482 | 5,663 | 5,977 | 314 | 5.5% |
| Total Admissions (IP+Obs) | 10,136 | 11,068 | 11,364 | 296 | 2.7% |
| Patient Days | 55,539 | 54,374 | 53,424 | (950) | -1.8% |
| Observation Days | 6,215 | 8,379 | 8,846 | 467 | 5.6% |
| Total Patient Days (IP+Obs) | 61,754 | 62,753 | 62,270 | (483) | -0.8% |
| Hospital Outpatient Visits | 87,339 | 93,656 | 98,024 | 4,368 | 4.7% |
| ER Visits | 72,368 | 66,225 | 63,007 | (3,218) | -4.9% |
| Cardiac Surgeries | 302 | 312 | 333 | 21 | 6.7% |
| Inpatient Surgeries (Non-Cardiac) | 1,376 | 1,296 | 1,476 | 180 | 13.9% |
| Outpatient Surgeries | 7,186 | 7,553 | 7,849 | 296 | 3.9% |

Joe DiMaggio Children's Hospital

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|-----------|------------|
| Inpatient Revenue | \$ 1,340,527 | \$ 1,420,014 | \$ 1,453,438 | \$ 33,424 | 2.4% |
| Outpatient Revenue | 826,973 | 903,678 | 923,148 | 19,470 | 2.2% |
| Gross Patient Revenue | 2,167,500 | 2,323,692 | 2,376,586 | 52,894 | 2.3% |
| Net Patient Revenue | 368,053 | 386,264 | 407,882 | 21,618 | 5.6% |
| Other Operating Revenue | 4,850 | 6,123 | 6,894 | 771 | 12.6% |
| Net Revenue | 372,903 | 392,386 | 414,775 | 22,389 | 5.7% |
| Salaries and Wages | 149,266 | 158,941 | 164,968 | 6,027 | 3.8% |
| Employee Benefits Expense | 23,337 | 28,253 | 27,791 | (462) | -1.6% |
| Professional Fees | 7,344 | 13,646 | 13,643 | (3) | 0.0% |
| Supplies Expense | 53,610 | 56,863 | 58,258 | 1,395 | 2.5% |
| Purchased Services | 20,742 | 21,182 | 20,743 | (439) | -2.1% |
| Facilities Expense | 9,890 | 12,932 | 12,605 | (327) | -2.5% |
| Depreciation & Amortization | 18,034 | 18,310 | 19,065 | 755 | 4.1% |
| Other Operating Expense | 8,859 | 10,419 | 10,717 | 298 | 2.9% |
| Intrasystem Allocation | 43,939 | 50,013 | 51,938 | 1,925 | 3.9% |
| Total Operating Expense | 335,019 | 370,559 | 379,728 | 9,169 | 2.5% |
| Income/(Loss) From Operations | 37,884 | 21,826 | 35,047 | 13,221 | 60.6% |
| Total Non-Operating Income/(Loss) | (3,429) | (1,112) | (4,931) | (3,820) | 343.7% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 34,454 | \$ 20,715 | \$ 30,116 | \$ 9,401 | 45.4% |
| EBIDA | \$ 56,594 | \$ 41,875 | \$ 54,101 | \$ 12,226 | 29.2% |

Memorial Regional Hospital South

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 3,198 | 3,441 | 3,493 | 52 | 1.5% |
| Rehab Admissions | 1,950 | 1,886 | 1,908 | 22 | 1.2% |
| Observation Discharges | 1,366 | 1,451 | 1,475 | 24 | 1.7% |
| Total Admissions (IP+Obs) | 4,564 | 4,892 | 4,968 | 76 | 1.6% |
| Patient Days | 29,174 | 28,700 | 28,860 | 161 | 0.6% |
| Observation Days | 2,087 | 2,585 | 2,626 | 40 | 1.6% |
| Total Patient Days (IP+Obs) | 31,261 | 31,285 | 31,486 | 201 | 0.6% |
| Hospital Outpatient Visits | 92,700 | 96,205 | 98,479 | 2274 | 2.4% |
| ER Visits | 24,693 | 24,785 | 24,927 | 142 | 0.6% |
| Inpatient Surgeries (Non-Cardiac) | 225 | 157 | 158 | 1 | 0.3% |
| Outpatient Surgeries | 3,613 | 3,588 | 3,869 | 281 | 7.8% |

Memorial Regional Hospital South

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|----------|------------|
| Inpatient Revenue | \$ 310,728 | \$ 344,219 | \$ 346,451 | \$ 2,232 | 0.7% |
| Outpatient Revenue | 558,459 | 639,781 | 660,583 | 20,802 | 3.3% |
| Gross Patient Revenue | 869,187 | 984,000 | 1,007,034 | 23,034 | 2.3% |
| Net Patient Revenue | 135,275 | 147,590 | 152,812 | 5,222 | 3.5% |
| Other Operating Revenue | 5,223 | 4,638 | 5,616 | 978 | 21.1% |
| Net Revenue | 140,498 | 152,228 | 158,428 | 6,200 | 4.1% |
| Salaries and Wages | 66,082 | 67,435 | 69,349 | 1,913 | 2.8% |
| Employee Benefits Expense | 11,577 | 13,213 | 11,969 | (1,245) | -9.4% |
| Professional Fees | 1,342 | 1,237 | 1,423 | 186 | 15.0% |
| Supplies Expense | 21,467 | 23,815 | 25,081 | 1,266 | 5.3% |
| Purchased Services | 9,859 | 11,812 | 12,912 | 1,100 | 9.3% |
| Facilities Expense | 6,700 | 6,564 | 6,852 | 288 | 4.4% |
| Depreciation & Amortization | 5,422 | 6,009 | 6,874 | 865 | 14.4% |
| Other Operating Expense | 3,897 | 3,946 | 4,436 | 490 | 12.4% |
| Intrasystem Allocation | 19,103 | 21,113 | 22,036 | 923 | 4.4% |
| Total Operating Expense | 145,448 | 155,144 | 160,931 | 5,787 | 3.7% |
| Income/(Loss) From Operations | (4,950) | (2,916) | (2,503) | 413 | -14.2% |
| Total Non-Operating Income/(Loss) | (68) | 190 | (694) | (884) | -465.0% |
| Excess/(Deficit) of Revenues Over Expenses | \$ (5,018) | \$ (2,726) | \$ (3,197) | \$ (470) | 17.3% |
| EBIDA | \$ 1,171 | \$ 4,154 | \$ 4,371 | \$ 217 | 5.2% |

Memorial Hospital West

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 24,608 | 24,434 | 24,907 | 473 | 1.9% |
| Observation Discharges | 11,981 | 10,637 | 10,634 | (3) | 0.0% |
| Total Admissions (IP+Obs) | 36,589 | 35,071 | 35,541 | 470 | 1.3% |
| Patient Days | 141,944 | 143,156 | 143,464 | 308 | 0.2% |
| Observation Days | 20,012 | 17,645 | 17,640 | (5) | 0.0% |
| Total Patient Days (IP+Obs) | 161,956 | 160,801 | 161,104 | 303 | 0.2% |
| Hospital Outpatient Visits | 205,469 | 224,374 | 231,167 | 6,793 | 3.0% |
| ER Visits | 100,688 | 96,701 | 97,362 | 661 | 0.7% |
| Inpatient Surgeries (Non-Cardiac) | 4,304 | 3,960 | 4,140 | 180 | 4.6% |
| Outpatient Surgeries | 5,922 | 5,925 | 6,049 | 124 | 2.1% |
| Deliveries | 3,511 | 3,168 | 3,136 | (32) | -1.0% |

Memorial Hospital West

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|------------|------------|
| Inpatient Revenue | \$ 3,088,946 | \$ 3,323,741 | \$ 3,550,427 | \$ 226,686 | 6.8% |
| Outpatient Revenue | 3,046,738 | 3,564,984 | 3,794,254 | 229,271 | 6.4% |
| Gross Patient Revenue | 6,135,684 | 6,888,725 | 7,344,682 | 455,957 | 6.6% |
| Net Patient Revenue | 843,641 | 872,486 | 927,781 | 55,295 | 6.3% |
| Other Operating Revenue | 31,108 | 24,778 | 26,668 | 1,890 | 7.6% |
| Net Revenue | 874,749 | 897,264 | 954,450 | 57,186 | 6.4% |
| Salaries and Wages | 294,066 | 311,515 | 319,583 | 8,068 | 2.6% |
| Employee Benefits Expense | 47,041 | 55,522 | 51,685 | (3,837) | -6.9% |
| Professional Fees | 21,155 | 23,157 | 26,033 | 2,876 | 12.4% |
| Supplies Expense | 171,118 | 190,005 | 210,379 | 20,374 | 10.7% |
| Purchased Services | 50,559 | 48,590 | 48,659 | 69 | 0.1% |
| Facilities Expense | 17,396 | 19,606 | 24,567 | 4,961 | 25.3% |
| Depreciation & Amortization | 21,859 | 25,498 | 26,641 | 1,143 | 4.5% |
| Other Operating Expense | 17,427 | 20,824 | 24,474 | 3,649 | 17.5% |
| Intrasystem Allocation | 113,216 | 116,302 | 117,074 | 773 | 0.7% |
| Total Operating Expense | 753,838 | 811,019 | 849,095 | 38,076 | 4.7% |
| Income/(Loss) From Operations | 120,911 | 86,245 | 105,354 | 19,110 | 22.2% |
| Total Non-Operating Income/(Loss) | 1,228 | 10,481 | (9,622) | (20,103) | -191.8% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 122,140 | \$ 96,726 | \$ 95,732 | \$ (993) | -1.0% |
| EBIDA | \$ 154,908 | \$ 133,122 | \$ 132,758 | \$ (365) | -0.3% |

Memorial Hospital Pembroke

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 7,000 | 6,878 | 7,000 | 122 | 1.8% |
| Observation Discharges | 5,868 | 6,473 | 6,581 | 108 | 1.7% |
| Total Admissions (IP+Obs) | 12,868 | 13,351 | 13,581 | 230 | 1.7% |
| Patient Days | 39,237 | 37,829 | 36,749 | (1,080) | -2.9% |
| Observation Days | 9,901 | 11,328 | 10,559 | (769) | -6.8% |
| Total Patient Days (IP+Obsv) | 49,138 | 49,157 | 47,308 | (1,849) | -3.8% |
| Hospital Outpatient Visits | 37,145 | 40,853 | 41,933 | 1,080 | 2.6% |
| 24/7 Visits | 53,857 | 51,101 | 48,806 | (2,295) | -4.5% |
| ER Visits | 36,764 | 37,243 | 37,458 | 215 | 0.6% |
| Inpatient Surgeries (Non-Cardiac) | 1,572 | 1,732 | 1,802 | 70 | 4.1% |
| Outpatient Surgeries | 2,927 | 2,882 | 3,028 | 146 | 5.1% |

Memorial Hospital Pembroke

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|-------------|------------|
| Inpatient Revenue | \$ 710,720 | \$ 733,198 | \$ 717,684 | \$ (15,514) | -2.1% |
| Outpatient Revenue | 779,017 | 873,030 | 854,329 | (18,701) | -2.1% |
| Gross Patient Revenue | 1,489,736 | 1,606,228 | 1,572,014 | (34,214) | -2.1% |
| Net Patient Revenue | 209,783 | 207,237 | 207,708 | 471 | 0.2% |
| Other Operating Revenue | 8,879 | 5,647 | 6,801 | 1,154 | 20.4% |
| Net Revenue | 218,661 | 212,884 | 214,509 | 1,625 | 0.8% |
| Salaries and Wages | 86,610 | 88,695 | 91,131 | 2,436 | 2.8% |
| Employee Benefits Expense | 13,231 | 15,621 | 14,789 | (833) | -5.3% |
| Professional Fees | 5,003 | 4,990 | 5,558 | 567 | 11.4% |
| Supplies Expense | 28,102 | 29,682 | 30,205 | 523 | 1.8% |
| Purchased Services | 15,130 | 14,786 | 14,409 | (377) | -2.6% |
| Facilities Expense | 6,264 | 6,575 | 7,243 | 668 | 10.2% |
| Depreciation & Amortization | 11,264 | 10,908 | 8,527 | (2,381) | -21.8% |
| Other Operating Expense | 5,232 | 9,482 | 6,506 | (2,976) | -31.4% |
| Intrasystem Allocation | 29,001 | 29,260 | 28,203 | (1,057) | -3.6% |
| Total Operating Expense | 199,836 | 209,999 | 206,570 | (3,429) | -1.6% |
| Income/(Loss) From Operations | 18,825 | 2,885 | 7,939 | 5,054 | 175.2% |
| Total Non-Operating Income/(Loss) | 4,813 | 9,204 | (557) | (9,761) | -106.1% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 23,639 | \$ 12,089 | \$ 7,383 | \$ (4,706) | -38.9% |
| EBIDA | \$ 35,649 | \$ 23,791 | \$ 16,466 | \$ (7,325) | -30.8% |

Memorial Hospital Miramar

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|-----------------------------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 10,138 | 10,378 | 10,536 | 158 | 1.5% |
| Observation Discharges | 5,277 | 5,240 | 5,197 | -43 | -0.8% |
| Total Admissions (IP+Obs) | 15,415 | 15,618 | 15,733 | 115 | 0.7% |
| Patient Days | 40,447 | 43,174 | 42,911 | (263) | -0.6% |
| Observation Days | 7,784 | 7,966 | 7,820 | -146 | -1.8% |
| Total Patient Days (IP+Obs) | 48,231 | 51,140 | 50,731 | (409) | -0.8% |
| Hospital Outpatient Visits | 100,771 | 107,555 | 114,950 | 7,395 | 6.9% |
| ER Visits | 67,825 | 65,708 | 65,634 | -74 | -0.1% |
| Inpatient Surgeries (Non-Cardiac) | 927 | 1,020 | 1,049 | 29 | 2.8% |
| Outpatient Surgeries | 6,921 | 7,270 | 7,422 | 152 | 2.1% |
| Deliveries | 3,957 | 4,004 | 4,004 | 0 | 0.0% |

Memorial Hospital Miramar

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|------------|------------|
| Inpatient Revenue | \$ 795,043 | \$ 886,470 | \$ 885,876 | \$ (594) | -0.1% |
| Outpatient Revenue | 1,023,019 | 1,120,572 | 1,150,846 | 30,274 | 2.7% |
| Gross Patient Revenue | 1,818,062 | 2,007,042 | 2,036,722 | 29,680 | 1.5% |
| Net Patient Revenue | 303,356 | 321,378 | 337,119 | 15,741 | 4.9% |
| Other Operating Revenue | 2,986 | 4,191 | 5,685 | 1,495 | 35.7% |
| Net Revenue | 306,341 | 325,569 | 342,804 | 17,235 | 5.3% |
| Salaries and Wages | 102,009 | 110,156 | 115,857 | 5,701 | 5.2% |
| Employee Benefits Expense | 16,981 | 20,290 | 19,168 | (1,122) | -5.5% |
| Professional Fees | 4,945 | 5,339 | 6,728 | 1,389 | 26.0% |
| Supplies Expense | 32,343 | 37,246 | 38,421 | 1,175 | 3.2% |
| Purchased Services | 21,289 | 21,402 | 21,702 | 300 | 1.4% |
| Facilities Expense | 9,154 | 9,842 | 10,880 | 1,038 | 10.5% |
| Depreciation & Amortization | 8,097 | 8,358 | 8,774 | 417 | 5.0% |
| Other Operating Expense | 5,917 | 7,748 | 8,431 | 683 | 8.8% |
| Intrasystem Allocation | 35,601 | 36,103 | 36,349 | 245 | 0.7% |
| Total Operating Expense | 236,337 | 256,484 | 266,310 | 9,826 | 3.8% |
| Income/(Loss) From Operations | 70,005 | 69,085 | 76,494 | 7,409 | 10.7% |
| Total Non-Operating Income/(Loss) | 1,487 | 8,015 | (2,977) | (10,992) | -137.1% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 71,492 | \$ 77,100 | \$ 73,517 | \$ (3,583) | -4.7% |
| EBIDA | \$ 82,636 | \$ 88,522 | \$ 85,268 | \$ (3,253) | -3.7% |

Memorial Manor Nursing Home

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|---------------|-------------------|----------------------|-------------------|----------|------------|
| Admissions | 803 | 862 | 886 | 24 | 2.8% |
| Resident Days | 40,141 | 40,563 | 41,610 | 1,047 | 2.6% |

Memorial Manor Nursing Home

Statement of Revenues and Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|----------|------------|
| Inpatient Revenue | \$ 34,118 | \$ 50,780 | \$ 52,870 | \$ 2,090 | 4.1% |
| Gross Patient Revenue | 34,118 | 50,780 | 52,870 | 2,090 | 4.1% |
| Net Patient Revenue | 12,944 | 13,668 | 14,246 | 578 | 4.2% |
| Other Operating Revenue | 8 | 209 | 215 | 6 | 2.8% |
| Net Revenue | 12,952 | 13,877 | 14,461 | 584 | 4.2% |
| Salaries and Wages | 11,812 | 12,237 | 13,328 | 1,091 | 8.9% |
| Employee Benefits Expense | 2,269 | 2,551 | 2,372 | (178) | -7.0% |
| Professional Fees | 66 | 70 | 75 | 5 | 7.1% |
| Supplies Expense | 2,612 | 2,373 | 2,448 | 75 | 3.2% |
| Purchased Services | 1,401 | 1,378 | 1,434 | 56 | 4.1% |
| Facilities Expense | 729 | 806 | 831 | 24 | 3.0% |
| Depreciation & Amortization | 393 | 432 | 607 | 175 | 40.5% |
| Other Operating Expense | 539 | 557 | 627 | 70 | 12.5% |
| Intrasystem Allocation | 1,230 | 1,382 | 1,491 | 109 | 7.9% |
| Total Operating Expense | 21,049 | 21,786 | 23,212 | 1,427 | 6.6% |
| Income/(Loss) From Operations | (8,097) | (7,909) | (8,752) | (843) | 10.7% |
| Total Non-Operating Income/(Loss) | (10) | 11 | (24) | (35) | -326.1% |
| Excess/(Deficit) of Revenues Over Expenses | \$ (8,107) | \$ (7,898) | \$ (8,775) | \$ (877) | 11.1% |
| EBIDA | \$ (7,704) | \$ (7,439) | \$ (8,144) | \$ (705) | 9.5% |

Memorial Physician Group

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|----------------------------|-------------------|----------------------|-------------------|----------|------------|
| Physician Group Encounters | 1,052,019 | 1,118,267 | 1,286,776 | 168,509 | 15.1% |

Memorial Physician Group

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|-------------|------------|
| Outpatient Revenue | \$ 407,765 | \$ 437,262 | \$ 495,863 | \$ 58,600 | 13.4% |
| Gross Patient Revenue | 407,765 | 437,262 | 495,863 | 58,600 | 13.4% |
| Net Patient Revenue | 110,474 | 131,109 | 155,883 | 24,774 | 18.9% |
| Other Operating Revenue | 20,219 | 24,246 | 24,660 | 415 | 1.7% |
| Net Revenue | 130,693 | 155,355 | 180,544 | 25,189 | 16.2% |
| Salaries and Wages | 206,008 | 227,420 | 257,571 | 30,151 | 13.3% |
| Employee Benefits Expense | 20,678 | 25,752 | 29,981 | 4,229 | 16.4% |
| Professional Fees | 31 | 31 | 34 | 3 | 8.1% |
| Supplies Expense | 14,880 | 20,592 | 21,346 | 754 | 3.7% |
| Purchased Services | 3,381 | 3,133 | 4,134 | 1,001 | 31.9% |
| Facilities Expense | 8,936 | 10,593 | 12,731 | 2,138 | 20.2% |
| Depreciation & Amortization | 6,119 | 7,505 | 8,704 | 1,200 | 16.0% |
| Other Operating Expense | 5,253 | 5,321 | 6,662 | 1,341 | 25.2% |
| Intrasystem Allocation | 8,534 | 15,759 | 20,963 | 5,204 | 33.0% |
| Total Operating Expense | 273,820 | 316,106 | 362,126 | 46,020 | 14.6% |
| Income/(Loss) From Operations | (143,127) | (160,751) | (181,582) | (20,831) | 13.0% |
| Total Non-Operating Income/(Loss) | (546) | (735) | (664) | 71 | -9.7% |
| Excess/(Deficit) of Revenues Over Expenses | \$ (143,673) | \$ (161,486) | \$ (182,246) | \$ (20,760) | 12.9% |
| EBIDA | \$ (136,989) | \$ (153,213) | \$ (172,845) | \$ (19,631) | 12.8% |

Memorial Primary Care

Operating Indicators

| | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--------------------|-------------------|----------------------|-------------------|----------|------------|
| Medical Encounters | 117,435 | 138,869 | 171,237 | 32,368 | 23.3% |

Memorial Primary Care

Statement of Revenues & Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|------------|------------|
| Outpatient Revenue | \$ 62,847 | \$ 62,352 | \$ 76,028 | \$ 13,676 | 21.9% |
| Gross Patient Revenue | 62,847 | 62,352 | 76,028 | 13,676 | 21.9% |
| Net Patient Revenue | 10,412 | 9,929 | 13,114 | 3,185 | 32.1% |
| Other Operating Revenue | 12,760 | 16,694 | 15,364 | (1,330) | -8.0% |
| Net Revenue | 23,172 | 26,623 | 28,478 | 1,855 | 7.0% |
| Salaries and Wages | 16,834 | 20,113 | 22,427 | 2,314 | 11.5% |
| Employee Benefits Expense | 2,877 | 3,367 | 3,830 | 462 | 13.7% |
| Professional Fees | 1,408 | 1,539 | 1,512 | (27) | -1.8% |
| Supplies Expense | 1,491 | 1,153 | 1,248 | 95 | 8.2% |
| Purchased Services | 2,518 | 2,545 | 2,465 | (80) | -3.2% |
| Facilities Expense | 1,498 | 1,552 | 1,493 | (59) | -3.8% |
| Depreciation & Amortization | 955 | 1,184 | 2,146 | 962 | 81.3% |
| Other Operating Expense | 1,376 | 1,548 | 1,080 | (469) | -30.3% |
| Intrasystem Allocation | 2,055 | 2,821 | 3,391 | 570 | 20.2% |
| Total Operating Expense | 31,013 | 35,823 | 39,592 | 3,769 | 10.5% |
| Income/(Loss) From Operations | (7,840) | (9,200) | (11,114) | (1,914) | 20.8% |
| Total Non-Operating Income/(Loss) | (57) | (56) | (124) | (68) | 122.7% |
| Excess/(Deficit) of Revenues Over Expenses | \$ (7,897) | \$ (9,256) | \$ (11,238) | \$ (1,982) | 21.4% |
| EBIDA | \$ (6,886) | \$ (8,016) | \$ (8,968) | \$ (952) | 11.9% |

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Other Entities

Includes: MHS Division, Graduate Medical Education, Memorial Retail Stores, Outpatient Pharmacy Services, Urgent Care Centers, Property Management, Memorial Health Network, ACO, and Memorial Assurance

Statement of Revenues and Expenses

| (\$ thousands) | FY 2024 Actual | FY 2025 Projected | FY 2026 Budget | Variance | % Variance |
|--|-------------------|----------------------|-------------------|-------------|------------|
| Outpatient Revenue | \$ 31,832 | \$ 40,901 | \$ 42,357 | \$ 1,456 | 3.6% |
| Gross Patient Revenue | 31,837 | 40,905 | 42,360 | 1,456 | 3.6% |
| Net Patient Revenue | 7,158 | 7,029 | 6,836 | (193) | -2.7% |
| Other Operating Revenue | 140,844 | 184,043 | 215,376 | 31,333 | 17.0% |
| Net Revenue | 148,002 | 191,072 | 222,212 | 31,140 | 16.3% |
| Salaries and Wages | 216,759 | 225,872 | 239,421 | 13,548 | 6.0% |
| Employee Benefits Expense | 38,082 | 47,122 | 44,346 | (2,776) | -5.9% |
| Professional Fees | 23,210 | 25,139 | 29,383 | 4,244 | 16.9% |
| Supplies Expense | 116,698 | 118,066 | 133,452 | 15,386 | 13.0% |
| Purchased Services | 70,262 | 70,378 | 71,950 | 1,572 | 2.2% |
| Facilities Expense | 4,195 | 2,703 | 3,505 | 802 | 29.7% |
| Depreciation & Amortization | 47,968 | 59,216 | 66,399 | 7,183 | 12.1% |
| Other Operating Expense | 37,896 | 43,912 | 47,312 | 3,400 | 7.7% |
| Intrasystem Allocation | (387,929) | (418,197) | (432,162) | (13,965) | 3.3% |
| Total Operating Expense | 167,141 | 174,212 | 203,606 | 29,394 | 16.9% |
| Income/(Loss) From Operations | (19,139) | 16,860 | 18,606 | 1,746 | 10.4% |
| Total Non-Operating Income/(Loss) | 90,801 | 173,387 | 89,201 | (84,186) | -48.6% |
| Excess/(Deficit) of Revenues Over Expenses | \$ 71,662 | \$ 190,247 | \$ 107,807 | \$ (82,440) | -43.3% |
| EBIDA | \$ 114,927 | \$ 174,507 | \$ 179,930 | \$ 5,423 | 3.1% |

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, *Chairwoman* • **Steven Harvey**, *Vice Chairman* • **Douglas A. Harrison**, *Secretary Treasurer*
Brad Friedman • **Dr. Luis E. Orta** • **Laura Raybin Miller**
Shane Strum, *President and Chief Executive Officer*

Group: S.B.H.D. Building Committee **Date:** April 14, 2025
Chairman: Mr. Brad Friedman **Time:** 2:00 p.m.
Vice Chairman: Mr. Douglas Harrison
Location: Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Mr. Brad Friedman, Mr. Douglas Harrison, Ms. Elizabeth Justen, Mr. Steven Harvey (via WebEx), Ms. Laura Raybin Miller, Mr. Shane Strum, Mr. Alan Whaley, Ms. Linda Epstein, Mr. David Smith, Mr. Mark Greenspan, Ms. Denise Dicesare, Mr. Irfan Mirza, Ms. Sarah Griffith, Mr. Robert Alonso, Mr. Joseph Kadis, and Ms. Carmen Gonzalez

1. **Call to Order / Public Meeting Notice Certification**

There being a quorum present, Mr. Friedman called the meeting to order at 2:00 p.m., after which Ms. Epstein provided the legal certification of compliance with Florida's Public Meeting Laws.

2. **Construction Progress Report**

Mr. Greenspan reviewed the Construction Progress Report with the Committee. All projects remain on schedule as indicated on the report. He additionally noted the following:

- a. Memorial Hospital Pembroke Operating Room 7 and 8 – project was completed and approved by AHCA.
- b. Douglas Road and Red Road Freestanding Emergency Departments – work has commenced at both locations.
- c. 10175 Chase Bank - work remains underway to resolve land entitlement and use restrictions. Mr. Greenspan also advised that the proposed use of the site was being revised from primary care to an outpatient imaging center.
- d. Kidney Transplant Clinic at Venture Corporate Center - construction has commenced.
- e. Memorial Hospital Miramar 2 MRI / CT - construction is about to commence.
- f. Memorial Regional Hospital Emergency Department and Trauma – work remains underway. The resuscitation room has been turned over for clinical use. Renovations to the trauma rooms remain on schedule. Mr. Greenspan noted that other remaining phases of the project may need to be revised to accommodate clinical needs.
- g. Memorial Hospital West second floor Labor and Delivery – an AHCA survey is scheduled for the week of April 14th.
- h. Memorial Regional Hospital Surgical Tower – a Board Workshop is being scheduled.

3. **Bid Award Recommendations**

- a. Memorial Hospital Miramar Ultrasound X-Ray Room Relocation / Emergency Department Overflow

The Building Committee recommends to the Board of Commissioners acceptance of the lowest responsive and responsible bidder, Lee Construction Group, Inc., in the amount of \$1,306,200, and allocate a \$195,930 contingency, to be controlled by Memorial Healthcare System.

Motion: Mr. Harrison
Seconded: Ms. Miller
In Favor: Unanimous

4. **Old Business**

No unfinished business was reported from the previous meeting.

5. **New Business**

- a. Mr. Greenspan advised, per Memorial Healthcare System Standard Practice, that staff was preparing to issue Requests for Qualifications to establish pre-qualified pools of general contractors, construction managers, architects, and design professionals, for Continuing Services and for capital projects included in the approved capital budget.

Motion: Mr. Harrison
Seconded: Mr. Harvey
In Favor: Unanimous

- b. Mr. Greenspan indicated the following bids were planned for future Building Committee consideration:

- Memorial Manor - Piped-in O2
- Memorial Cancer Institute - Hallandale Expansion
- Joe DiMaggio Children's Hospital - CT Replacement
- Joe DiMaggio Children's Hospital - Mechanical Equipment Upgrades
- Memorial Hospital West - IR Room #2 Equipment Replacement
- Memorial Hospital West - CT Scan Room Replacement
- Memorial Physician Group - 603 Suite 250 Urology
- Memorial Regional Hospital South - CT Imaging Suite
- Memorial Regional Hospital South - South AHU 3 Replacement

6. **Adjournment**

There being no further business, the Building Committee adjourned at 2:20 p.m.

Respectfully submitted,



Brad Friedman
Chairman, Building Committee



South Broward Hospital District Board Building Committee Construction Progress Report

Construction Services Department

April 2025

FA
CORRIDOR
3110

CART STORAGE
3101

READ
3116

READ
3117

310

CR

3127A

R/F ROOM

3111

3140

CT-SCAN ROOM

3146

FA

CR

3147

HP-FA

AUTO

3110C

3138

3138B

3138A

3140

3146

AREA OF WORK

3122

FA

AUTO

3096B

CR

51-03

CR

3123

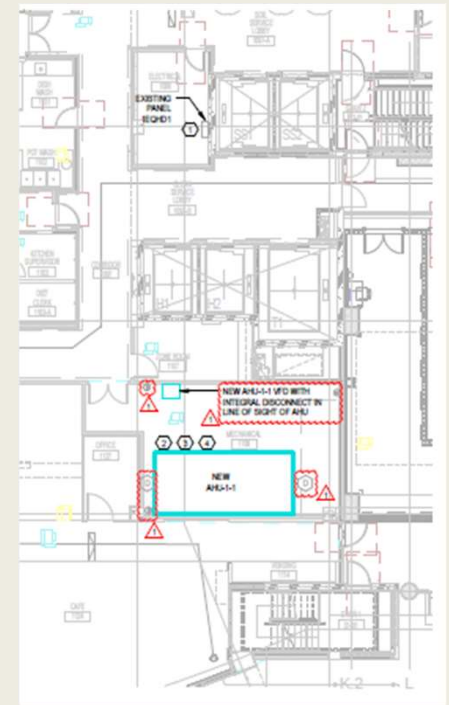
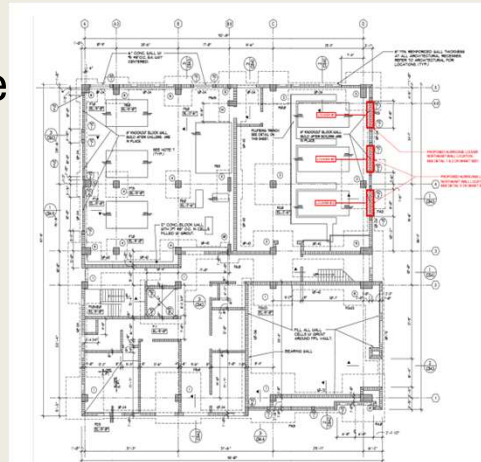
FA

312

Joe DiMaggio Children's Hospital

JDCH Building Commissioning Mechanical Issues

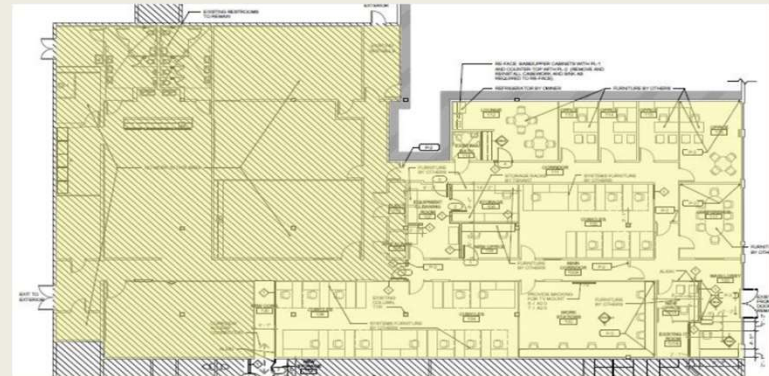
- Scope of Work: Mechanical equipment and code updates
- Status of Project: Planning
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Akin Brooks Engineering
- Contractor: TBD
- Board Approval Date: June Tentative
- Cost of Construction: \$705,000.00
- Total Estimated Cost: \$1.5M



Memorial Healthcare System

MHS 7029-7031 Taft Community Youth Services Renovation

- Scope of Work: Replacement of Interior Finishes
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Gresham Smith
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: \$ 1,790,000
- Total Estimated Cost: \$3,652,000



Memorial Healthcare System

UCC 10175 Pines Blvd

- Scope of Work: Interior renovation of Chase bank for outpatient services
- Status of Project: Permitting/Land use approval
- Schedule Completion: TBD
- Current Status: Impacted
- Comments: Pending county approval for plat note amendment.
- Architect: Saltz Michelson Architects
- Contractor: LEE Construction Group
- Board Approval Date: July 24, 2024
- Cost of Construction: \$2.99M
- Total Estimated Cost: \$4.0M



Memorial Healthcare System

MHS IT Data Center ASCO Equipment

- Scope of Work: Replace electrical switchgear serving the data center.
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Gresham Smith / TLC Engineering / ASCO Services
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$1M



Memorial Hospital Miramar

Monument Sign Replacements

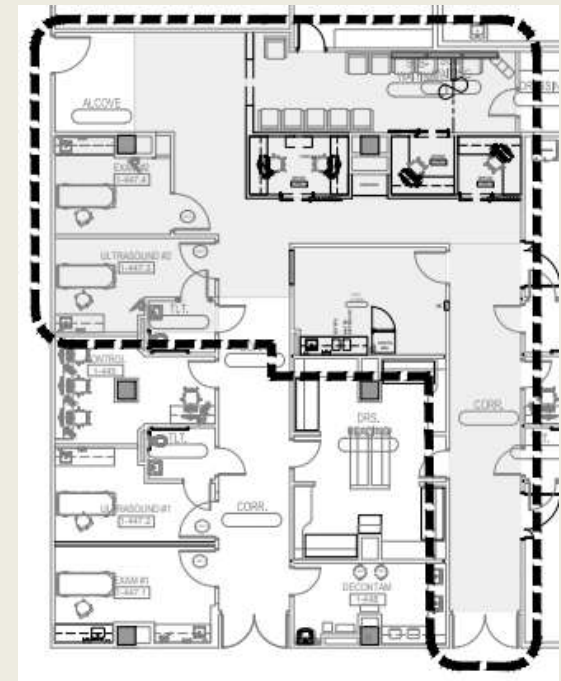
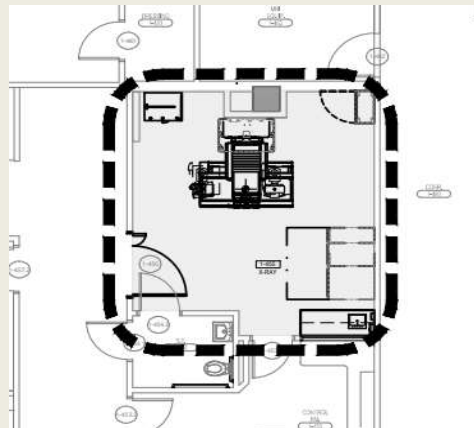
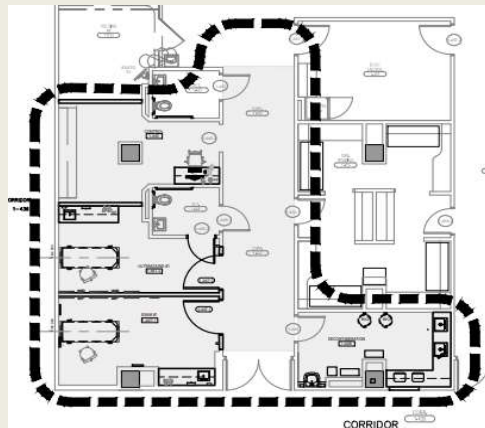
- Scope of Work: Exterior sign replacement – 49 signs total
- Status of Project: Permitting/Construction
- Schedule Completion: September 2025
- Current Status: On Schedule
- Architect: Harvard Jolly Inc.
- Contractor: LEE Construction Group
- Board Approval Date: March 27, 2024
- Cost of Construction: \$1,987,615
- Total Estimated Cost: \$2,186,000



Memorial Hospital Miramar

MHM Ultrasound Xray Room Relocation/ED Overflow

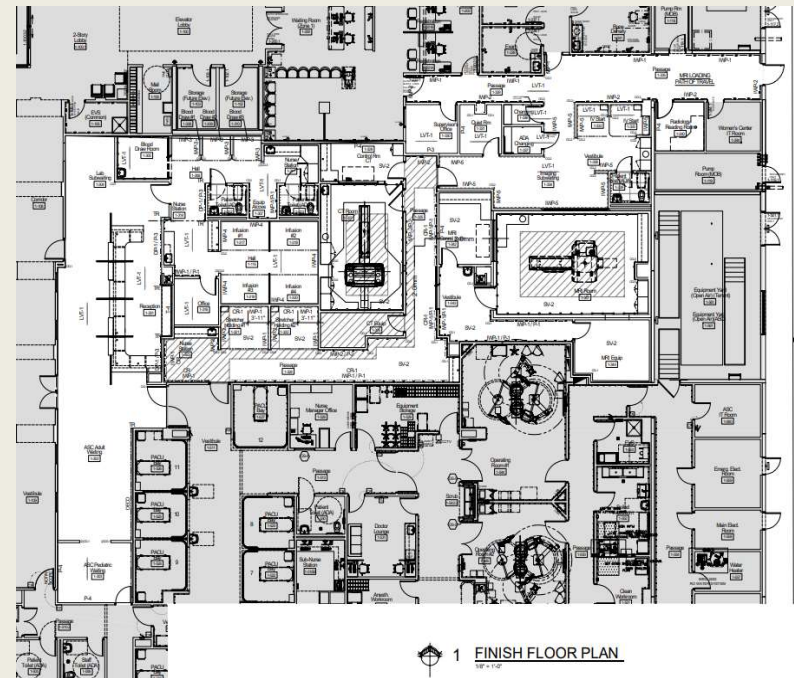
- Scope of Work: Replacement of Xray machine. New ultrasound and exam rooms. Create a decontamination room. Additional offices. Upgrade finishes.
- Status of Project: Permitting/Bidding
- Schedule Completion: TBD
- Current Status: Ongoing
- Architect: Harvard Jolly Inc.
- Contractor: TBD
- Board Approval Date: April 2025
- Cost of Construction: \$1,698,060
- Total Estimated Cost: \$2,200,000



Memorial Hospital Miramar

MOB 2 MRI/CT Lab

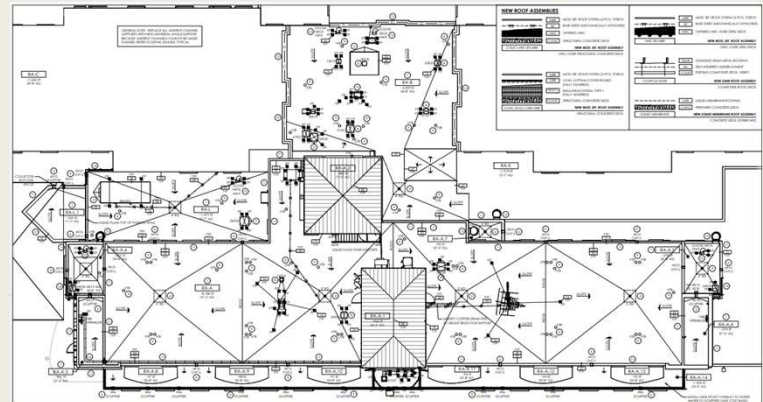
- Scope of Work: Build-out of 3,956 SF of existing 1st floor shell space. New functions include MRI room, CT scan room, lab infusion and patient and Staff support spaces
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: Preparing to start
- Architect: Harvard Jolly Inc.
- Contractor: LEE Construction Group
- Board Approval Date: July 24, 2024
- Cost of Construction: \$3.1M
- Total Estimated Cost: \$12.3M



Memorial Hospital Pembroke

MHP Roof Replacement

- Scope of Work: Replace 92,500 SF exterior roof
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: Pending Permit
- Comments: Bid awarded
- Architect: Harvard Jolly Inc.
- Contractor: Lego Construction Company
- Board Approval Date: January 20, 2025
- Cost of Construction: \$4.8M
- Total Estimated Cost: \$7.7M



Memorial Hospital Pembroke

Douglas Road Free Standing ED

- Scope of Work: 30,000 SF new construction of a Free-Standing Emergency Department
- Status of Project: Construction
- Schedule Completion: July 2026
- Current Status: On Schedule
- Architect: HKS Architects Inc.
- Contractor: DPR Construction
- Board Approval Date: October 24, 2024
- Cost of Construction: \$38.5M
- Total Estimated Cost: \$52.85M



Memorial Hospital Pembroke

Red Road Free Standing ED

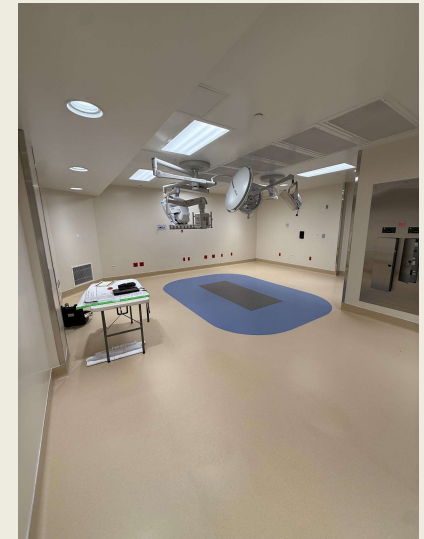
- Scope of Work: 17,000 SF new construction Free Standing Emergency Department
- Status of Project: Construction
- Schedule Completion: April 2026
- Current Status: On Schedule
- Architect: HKS Architects Inc.
- Contractor: DPR Construction
- Board Approval Date: October 24, 2024
- Cost of Construction: \$23.4M
- Total Estimated Cost: \$34.8M



Memorial Hospital Pembroke

MHP OR 7 & 8 Renovation

- Scope of Work: Upgrade equipment and room finishes of Cysto Room OR #7 and OR #8. 1,035 SF
- Status of Project: Completed
- Schedule Completion: March 2025
- Current Status: Construction completed
- Architect: Saltz Michelson Architects
- Contractor: LEE Construction Group
- Board Approval Date: Sept. 27, 2023
- Cost of Construction: \$1.75M
- Total Estimated Cost: \$2.8M



Memorial Hospital Pembroke

MHP MRI Replacement

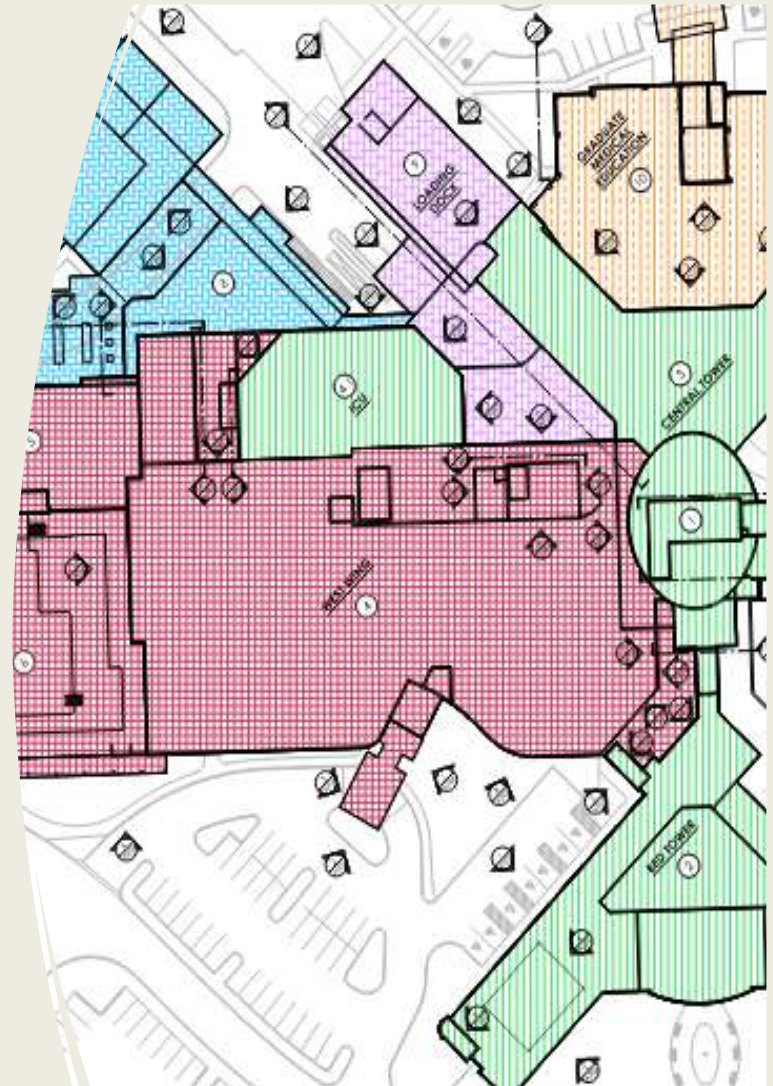
- Scope of Work: New MRI Suite to replace the existing MRI Modular Unit nearing end of life. Relocate existing rooms to accommodate new MRI Suite.
- Status of Project: Planning
- Schedule Completion: TBD
- Current Status: Preliminary planning
- Comments: AHCA restricted temporary use of mobile units up to 6 months.
- Architect: Harvard Jolly Inc.
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: Estimated \$5.81M
- Total Estimated Cost: \$9.65M



Memorial Hospital West

Envelope Repairs

- Scope of Work: Repair exterior envelope to prevent water intrusion, replace windows as needed
- Status of Project: Hold
- Schedule Completion: TBD
- Current Status: TBD
- Architect: Harvard Jolly Inc.
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$10.6M



Memorial Hospital West

Memorial Hospital West Garage Restoration

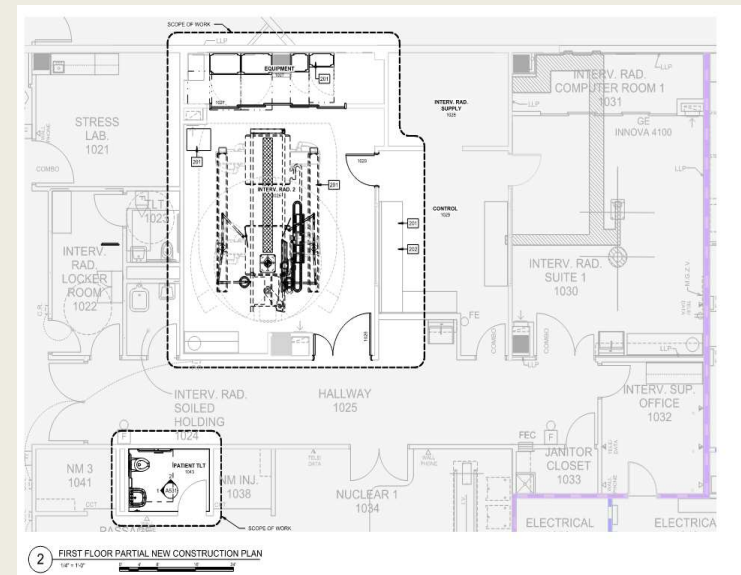
- Scope of Work: Structural Restoration of Parking Garage A,B, & C. Project will be completed in multiple phasing to help maintain traffic flow throughout the garages.
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: On Schedule
- Engineer: Kimley-Horn & Associates
- Contractor: Engel Construction
- Board Approval Date: February 27, 2025
- Cost of Construction: \$2,098,122
- Total Estimated Cost: \$4.0M



Memorial Hospital West

MHW IR Room #2 Equipment Replacement

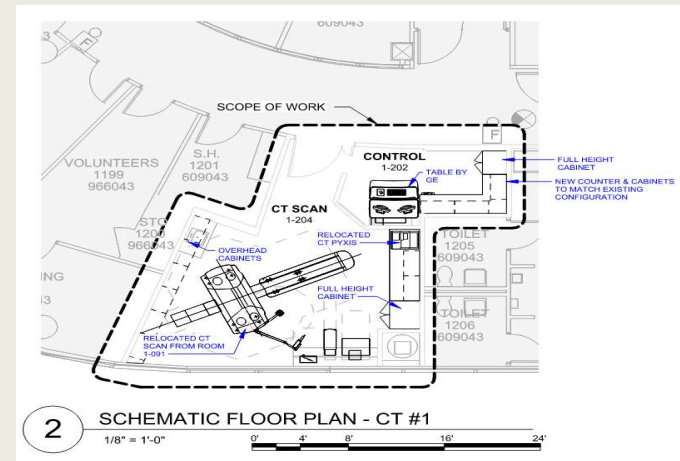
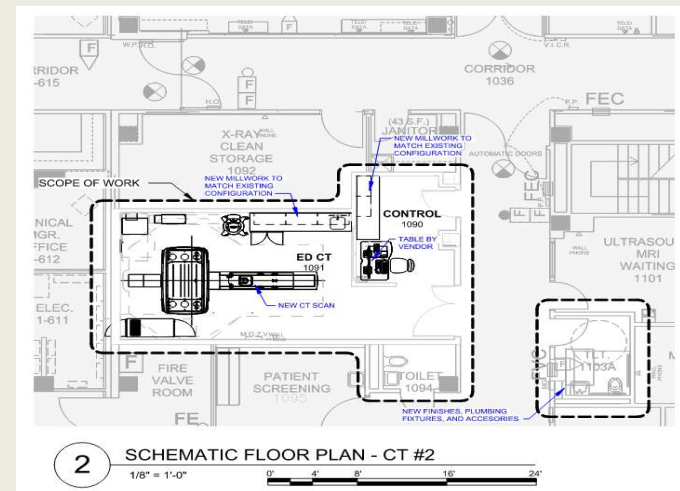
- Scope of Work: IR Equipment replacement and room finishes
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Gresham Smith
- Contractor: TBD
- Board Approval Date: June Tentative
- Cost of Construction: Estimated \$1,050,000
- Total Estimated Cost: \$2,610,000



Memorial Hospital West

MHW CT Scan Room

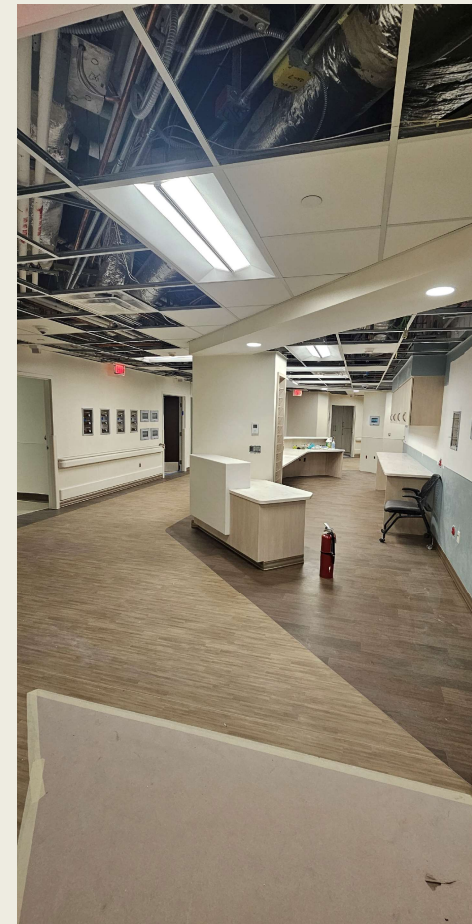
- Scope of Work: Move existing CT scan to current ultrasound room and replace CT equipment.
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Gresham Smith
- Contractor: TBD
- Board Approval Date: June Tentative
- Cost of Construction: Estimated \$1,500,000
- Total Estimated Cost: \$3,920,000



Memorial Hospital West

2nd Floor Labor & Delivery

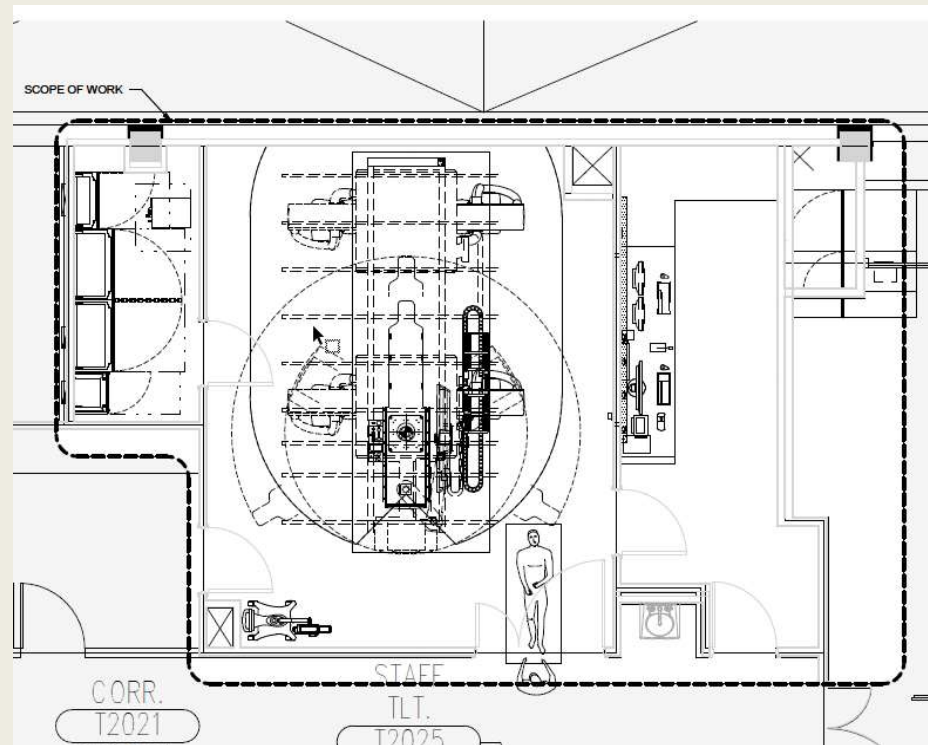
- Scope of Work: Interior Renovation upgrade for existing 14 rooms, (6) triage rooms, (1) exam room, nurse's station, and upgraded amenities.
- Status of Project: Construction
- Schedule Completion: May 2025
- Current Status: Unforeseen
- Architect: HKS Architects Inc.
- Contractor: LEE Construction Group
- Board Approval Date: February 28, 2024
- Cost of Construction: \$2,768,050
- Total Estimated Cost: \$9,592,689



Memorial Hospital West

MHW CVI #2 Equipment Replacement

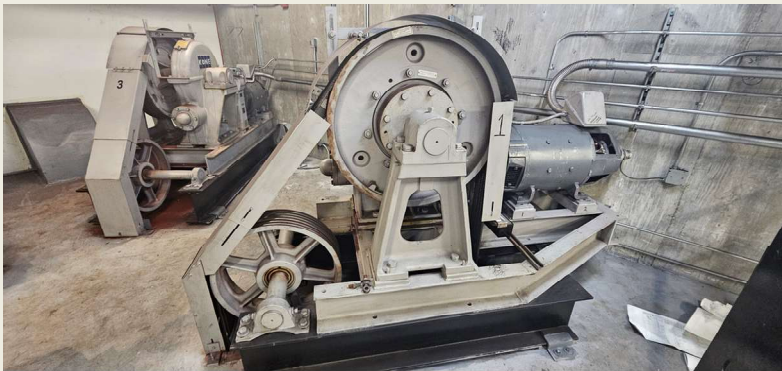
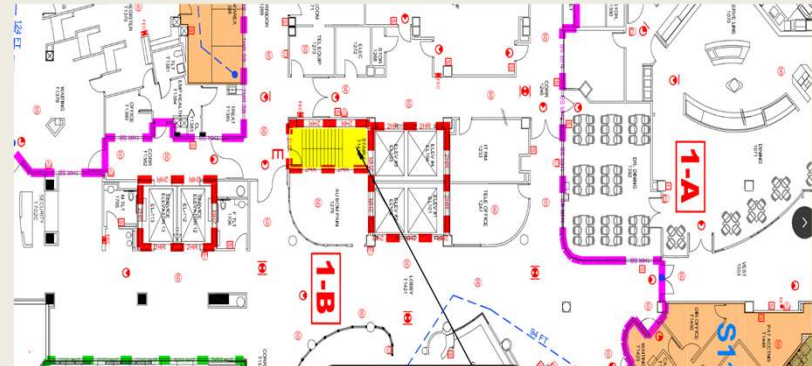
- Scope of Work: New Cath Lab Equipment in Room #2 with finish renovations and required changes to MEP
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Gresham Smith
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: \$1.7M
- Total Estimated Cost: \$3M



Memorial Hospital West

MHW Elevator 1-2 Modernization

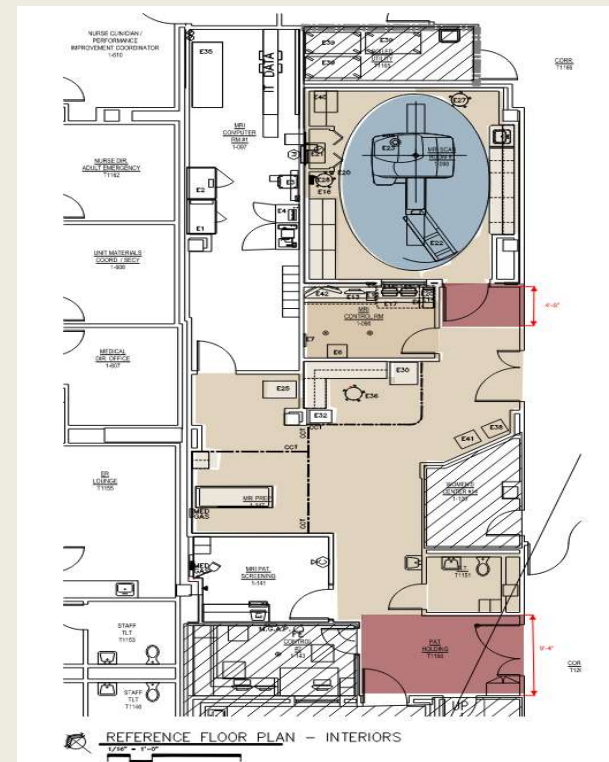
- Scope of Work: Modernization of elevators 1 & 2 in front lobby
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$2.4M



Memorial Hospital West

MHW MRI Upgrade

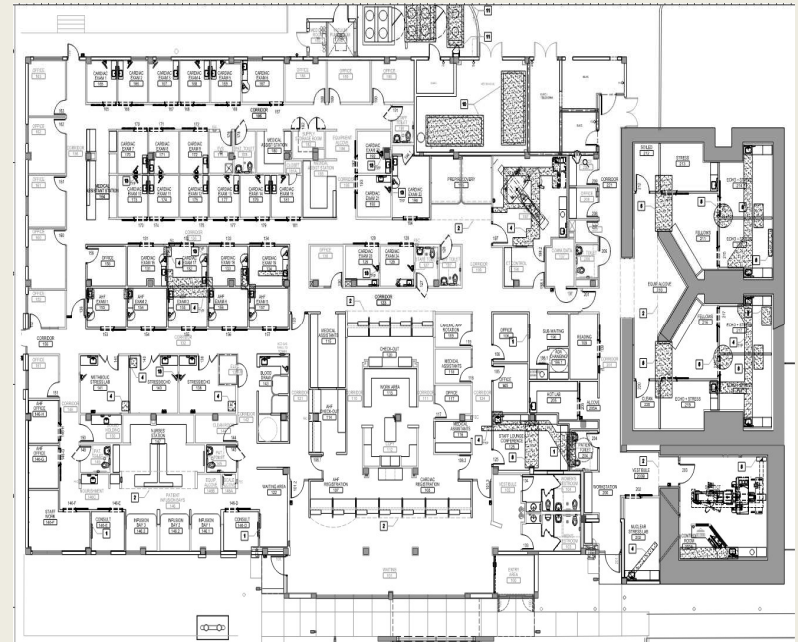
- Scope of Work: Upgrade MRI components and associate equipment, including chiller unit, Liebert unit, electrical panel, etc. to enable the renovations. A temporary MRI Trailer will be set up at the existing adjacent exit previously used for a temporary imaging trailer.
- Status of Project: Construction
- Schedule Completion: August 2025
- Current Status: On Schedule
- Architect: Harvard Jolly Inc.
- Contractor: LEE Construction Group, Inc.
- Board Approval Date: September 25, 2024
- Cost of Construction: \$912,030
- Total Estimated Cost: \$2,888,000



Memorial Hospital West

MHW MCVI West

- Scope of Work: Renovation of existing building to accommodate MCVI functionality including CT and Nuclear CT.
- Status of Project: Construction
- Schedule Completion: October 2025
- Current Status: On Schedule
- Architect: Harvard Jolly Inc.
- Contractor: LEE Construction Group
- Board Approval Date: December 4, 2024
- Cost of Construction: \$5.7M
- Total Estimated Cost: \$14.5M



Memorial Hospital West

MHW MCI Infusion Expansion

- Scope of Work: Tenant improvement design to infill existing 5,160 SQ FT shell with infusion bays, exam rooms, offices and restrooms
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: HKS Architects Inc.
- Contractor: Thornton Construction, Inc.
- Board Approval Date: February 27, 2025
- Cost of Construction: \$1,984,552
- Total Estimated Cost: \$15,249,000



Memorial Manor

Manor Generator/ATS Replacement

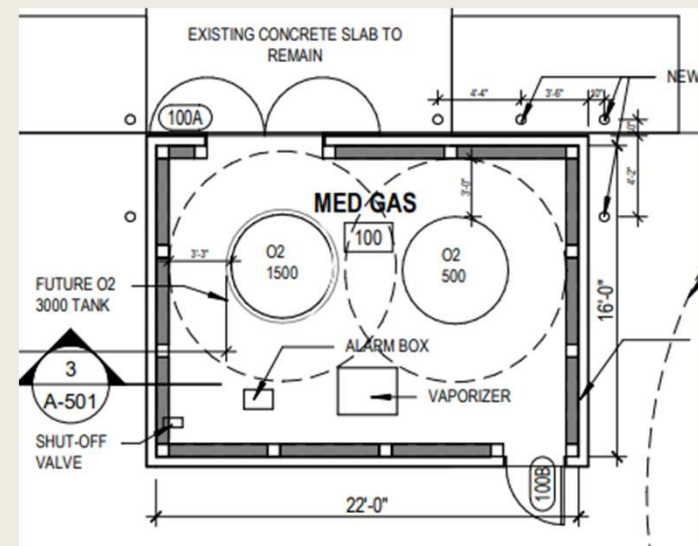
- Scope of Work: Replacement of generator and automatic transfer switch
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$3.51M



Memorial Manor

Manor Piped-in O2

- Scope of Work: Replace existing oxygen tank farm with an upgraded system to meet current codes, including upgrades to the existing tank slab and enclosure. Install (1) new oxygen station at (25) existing patient beds and a new emergency oxygen connection that would serve as a backup.
- Status of Project: Permitting/Bidding
- Schedule Completion: TBD
- Comments: In Bidding
- Architect: HKS Architects Inc.
- Contractor: TBD
- Board Approval Date: May Tentative
- Cost of Construction: \$3.0M
- Total Estimated Cost: \$3.8M



Memorial Manor

Manor FEMA Hardening

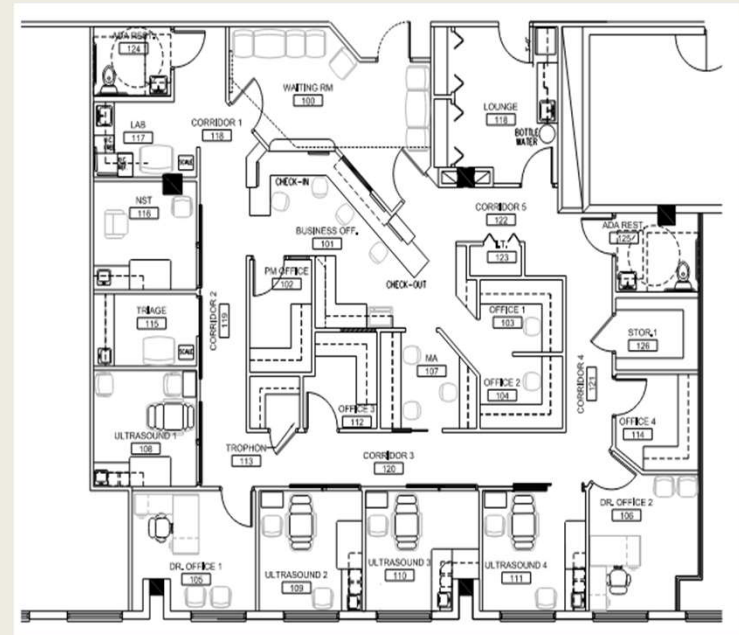
- Scope of Work: Exterior hurricane hardening of 1-story nursing home. Work includes reinforcing existing exterior non-reinforced concrete block walls, reinforcing existing roof trusses, replacing plywood over roof trusses, structural enhancements at gable ends, new metal roof, doors, windows and louvers.
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: LEE Construction Group
- Board Approval Date: February 27, 2025
- Cost of Construction: \$4,217,850.00
- Total Estimated Cost: \$7.0M



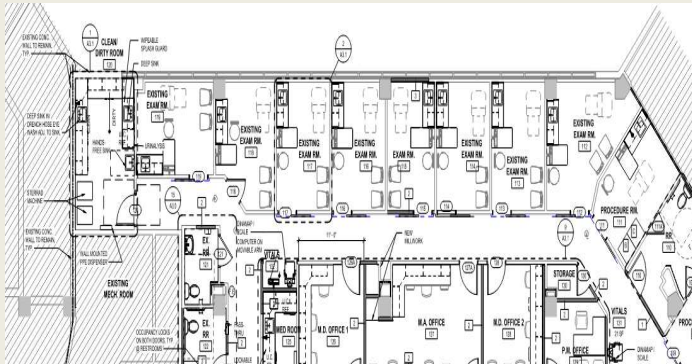
Memorial Physicians Group

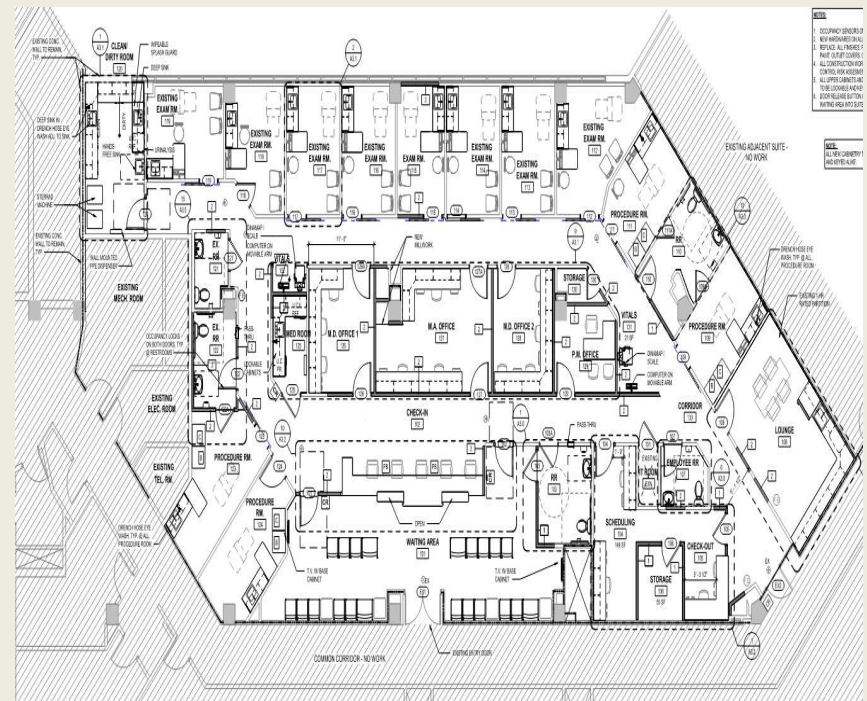
MHM MOB Suite 309 Maternal Fetal Medicine

- Scope of Work: Renovation of existing 2,675 SF suite for Maternal Fetal Medicine office.
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: Estimated \$660,000
- Total Estimated Cost: \$1.55M



MPG MHW 603 Ste 250 Division of Urology

- Scope of Work: Tenant interior buildout to accommodate new medical facilities inclusive of Urology medical practice, (7) exam rooms and (4) procedure rooms.
 - Status of Project: Design
 - Schedule Completion: April 2025
 - Current Status: On Schedule
 - Architect: Saltz Michelson Architects
 - Contractor: TBD
 - Board Approval Date: June Tentative
 - Cost of Construction: TBD
 - Total Estimated Cost: \$3M
- 
- A detailed architectural floor plan of a medical facility interior. The plan shows a central corridor system with various rooms branching off. On the left side, there are several exam rooms, some labeled 'EXISTING EXAM RM' and others 'NEW EXAM RM'. There are also procedure rooms, some labeled 'PROCEDURE RM' and others 'NEW PROCEDURE RM'. In the center, there are offices, including 'N/A OFFICE' and 'P.A. OFFICE'. To the right, there are more exam rooms and procedure rooms. The plan includes numerous labels for doors, windows, and furniture, as well as room numbers. The overall layout is designed to accommodate a urology medical practice with 7 exam rooms and 4 procedure rooms.



Memorial Primary Care-Regional

Buildout Dania Beach Center

- Scope of Work: Build out of shell space 4,680 sf to include: 15 exam rooms; 5 Providers (3 PCP and 2 Specialty); 5 PFSRs (at check in/check out); 6 Mas; 1 Office Practice manager
- Status of Project: Construction
- Schedule Completion: June 2025
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: LEE Construction Group
- Board Approval Date: March 27, 2024
- Cost of Construction: \$1,915,242
- Total Estimated Cost: \$3.12M



Memorial Regional Hospital

MCI Hallandale Expansion

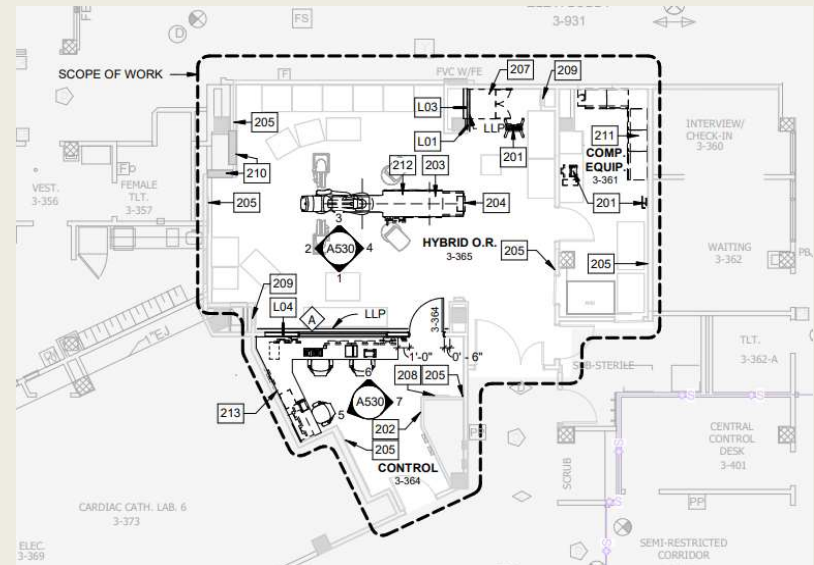
- Scope of Work: Expand existing MCI Hallandale clinic to add (11) infusion bays, (7) exam rooms and support spaces
- Status of Project: Bidding
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Harvard Jolly Inc.
- Contractor: TBD
- Board Approval Date: May Tentative
- Cost of Construction: TBD
- Total Estimated Cost: \$15.249M



Memorial Regional Hospital

MRH Bi-Plane Upgrade (Neuro CVI)

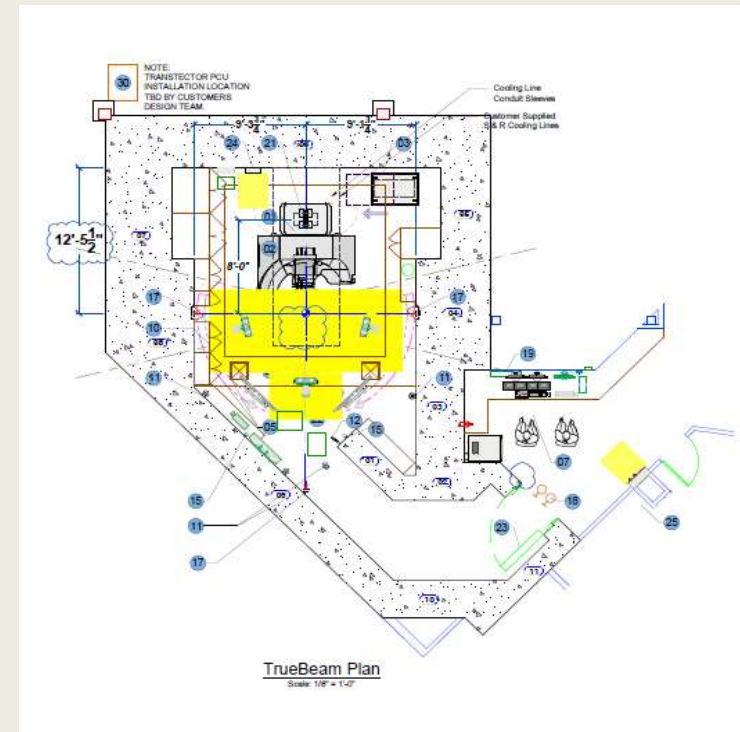
- Scope of Work: Equipment replacement of Neuro Bi-Plane Hybrid OR
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Gresham Smith
- Contractor: LEE Construction Group
- Board Approval Date: February 27, 2025
- Cost of Construction: \$758,625
- Total Estimated Cost: \$3.502M



Memorial Regional Hospital

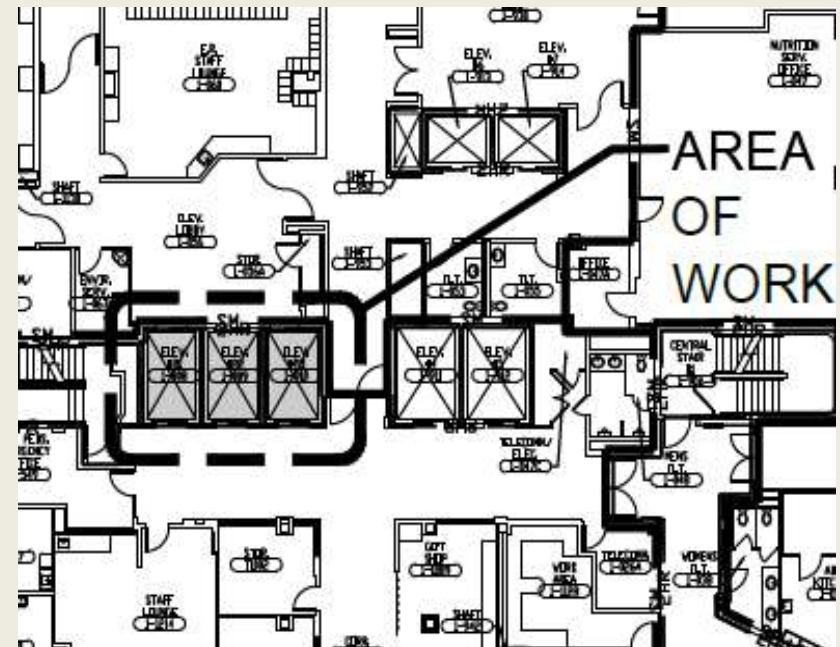
MRH Therapy Room #1 Linac Replacement

- Scope of Work: Replacement of the existing MRH Linear Accelerator equipment in Therapy Room #1, finishes and cabinetry
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$5.334M



MRH Service Elevators 1-2-3

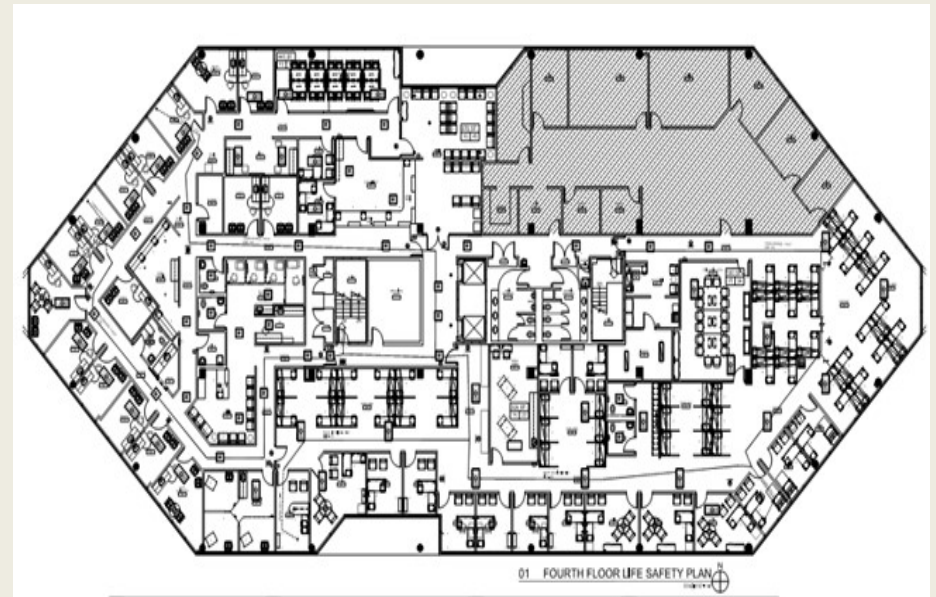
- Scope of Work: Modernization of elevators 1-2-3
- Status of Project: Permitting/Bidding
- Schedule Completion: TBD
- Comments: Bids received.
- Architect: Saltz Michelson Architects
- Contractor: TBD
- Board Approval Date: N/A
- Cost of Construction: \$2,178,270
- Total Estimated Cost: \$1,820,000



Memorial Regional Hospital

MRH Kidney Transplant Clinic

- Scope of Work: 18,800 SF renovation relocating Transplant Services to Venture Corporate Center to improve patient access
- Status of Project: Construction
- Schedule Completion: October 2025
- Current Status: On Schedule
- Architect: Harvard Jolly Inc.
- Contractor: Landlord Fit-Out
- Board Approval Date: January 20, 2025
- Cost of Construction: \$1,819,793.00
- Total Estimated Cost: \$4.372M



Memorial Regional Hospital

ER Renovation

- Scope of Work: MRH ED Interior Finishes. Full interior finish renovation including flooring, wall covering, doors, ceiling, restrooms with plumbing fixtures, nursing station replacement, casework, etc. (35,049 SF). 1,200 SF of new construction to accommodate decontamination showers and exam room, expanded storage, and improved EMS lounge. Additionally, the project involves 4,500 SF of renovations to improve the layout, efficiency and patient access within the existing 3 trauma bays and resuscitation room 5,700 SF
- Status of Project: Construction
- Schedule Completion: November 2025
- Current Status: Revised schedule due to phasing
- Comments: Phase 1 and 2 of Trauma expansion completed March 7, 2025
- Architect: Harvard Jolly Inc.
- Contractor: Turner Construction
- Board Approval Date: May 25, 2022
- Cost of Construction: \$16.4M
- Total Estimated Cost: \$25.1M



Memorial Regional Hospital

MRH Chiller Replacement

- Scope of Work: Chiller replacement planned by MRH including electrical and plumbing upgrades.
- Status of Project: Planning
- Schedule Completion: TBD
- Current Status: On Schedule
- Engineer: Davila Engineering
- Contractor: TBD
- Board Approval Date: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$1.6M



Memorial Regional Hospital

Master Plan Surgery and Tower

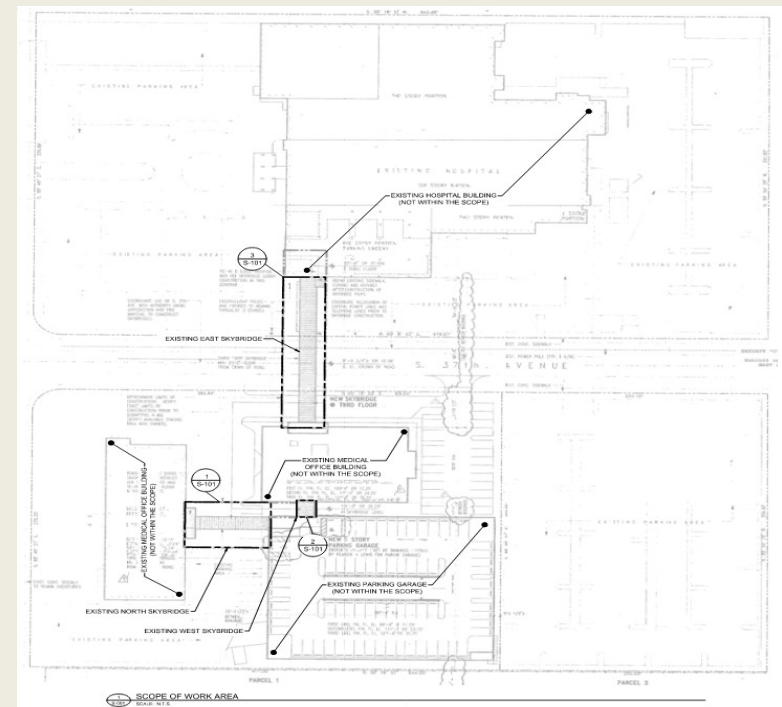
- Scope of Work: Build new 8-story patient and surgical tower with 3-story connector. Scope includes interior renovation of several areas on the 1st and 2nd floors (Main lobby, Registration, Heart Clinic, OR Suite, SPD, Material Management, etc.) Upgrade existing MEP infrastructure to support new spaces
- Status of Project: Permitting/Bidding
- Schedule Completion: TBD
- Comments: Pending Board Approval
- Architect: HKS Architects Inc.
- Contractor: Robins & Morton
- Board Approval Date: Expected May 2025
- Cost of Construction: TBD
- Total Estimated Cost: \$750M



Memorial Regional Hospital South

MRHS Pedestrian Bridge Restoration

- Scope of Work: Pedestrian bridge structural restoration.
- Status of Project: Permitting
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Kimley-Horn & Associates
- Contractor: Lego Construction Company
- Board Approval Date: February 27, 2025
- Cost of Construction: \$1,688,315.20
- Total Estimated Cost: \$2,100,000



Memorial Regional Hospital South

Chiller 3 Replacement

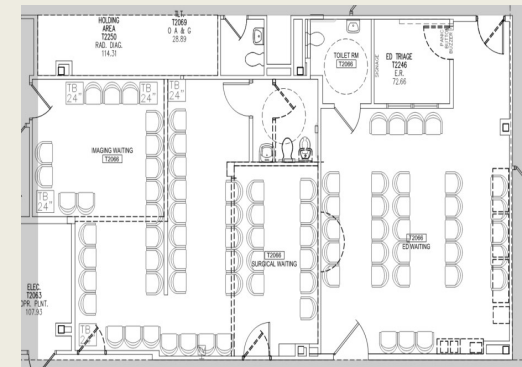
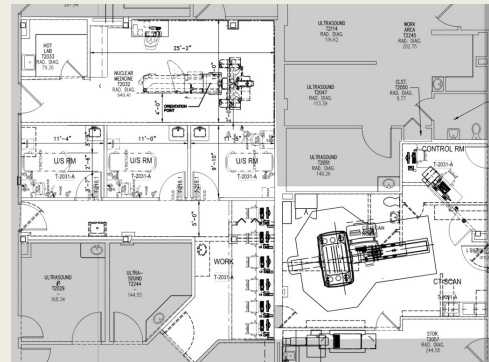
- Scope of Work: Replace Chiller #3 and associated cooling tower with new equipment in the same location
- Status of Project: Construction
- Schedule Completion: June 2025
- Current Status: On Schedule
- Comments: Existing chiller has been removed along with exiting cooling tower
- Architect: Saltz Michelson Architects
- Contractor: LEE Construction Group
- Board Approval Date: April 26, 2023
- Cost of Construction: \$1.456M
- Total Estimated Cost: \$2.603M



Memorial Regional Hospital South

MRHS CT Imaging Suite Addition

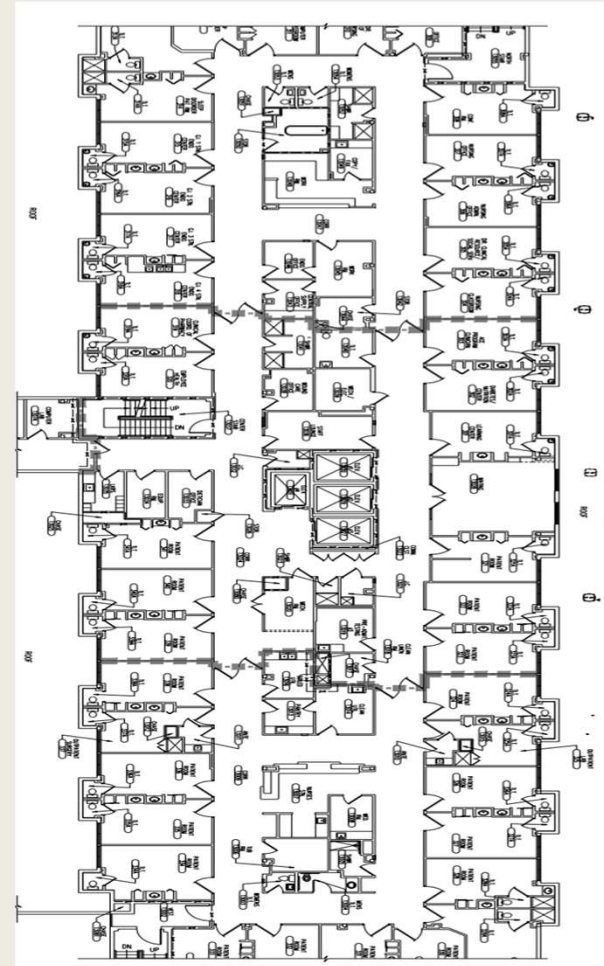
- Scope of Work: The project consists of converting existing Ultrasound space for a new CT Scan Room and control room. The scope requires reconfiguration of the existing Nuclear medicine for (3) new Ultrasound rooms. Additionally, merging imaging and surgery waiting area and cosmetic upgrade for ED waiting area.
- Status of Project: Design
- Schedule Completion: April 2025
- Current Status: On Schedule
- Architect: Harvard Jolly Inc.
- Contractor: TBD
- Board Approval Date: June Tentative
- Cost of Construction: \$2.5M estimated
- Total Estimated Cost: \$5.5M



Memorial Regional Hospital South

HVAC AHU 3

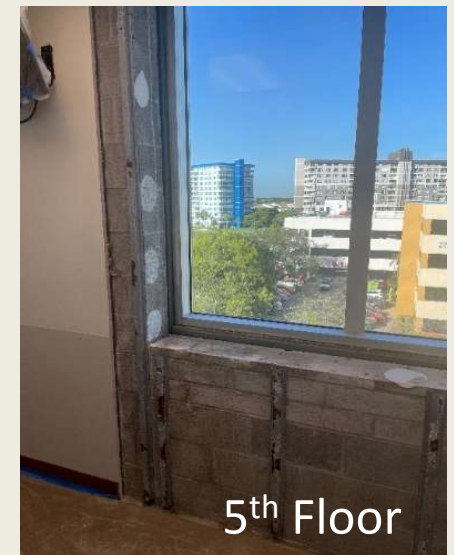
- Scope of Work: Replacement of AHU-3
- Status of Project: Design
- Schedule Completion: TBD
- Current Status: On Schedule
- Architect: Saltz Michelson Architects
- Contractor: TBD
- Board Approval Date: June Tentative
- Cost of Construction: TBD
- Total Estimated Cost: \$2.198M



Memorial Regional Hospital South

MRHS Remediation

- Scope of Work: Remediation of the East & West tower facade to mitigate moist air entering the building
- Status of Project: Planning
- Schedule Completion: TBD
- Comments: Working with design team to refine scope of work.
- Architect: HKS Architects Inc.
- Contractor: Thornton Construction
- Board Approval Date: TBD
- Cost of Construction: TBD
- Total Estimated Cost: \$4.3M



| South Broward Hospital District | | | | | | | | | | | | | | | | | |
|---|--------------------|-----------------------|--------------------------------|---------------|----------------------|--------------|--------------|-----------------|--------------------------------|-----------------------------|-----------|---------------|----------------------|-------------------------|---------------------------------------|--------------|-----------------------|
| Board Building Committee | | | | | | | | | | | | | | | | | |
| Construction Progress Report | | | | | | | | | | | | | | | | | |
| April-25 | | | | | | | | | | | | | | | | | |
| Project | Status | Contractor | Architect | Budget LTD | Prior Years Expenses | Current FY25 | Obligations | Funds Remaining | Approved Contractor Bid Amount | Approved Contingency Amount | On Budget | Contract Type | Board Approval Date | Construction Start Date | Original Construction Completion Date | On Schedule? | Comments |
| Joe DiMaggio Children's Hospital - 46 | | | | | | | | | | | | | | | | | |
| CT Replacement | Design | TBD | HARVARD JOLLY INC | 4,600,000.00 | - | 29,495.00 | 54,304.00 | 4,516,201.00 | TBD | TBD | TBD | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| JDOH Building Commissioning Mechanical Issues | Planning | TBD | Akin Brooks | 1,509,990.00 | 148,889.30 | 111,934.99 | 12,000.00 | 1,237,165.71 | TBD | TBD | TBD | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| Memorial Healthcare System - 10 | | | | | | | | | | | | | | | | | |
| MHS 7029-7031 Taft Community Youth Services Renovation* | Design | TBD | GRESHAM SMITH | 1,443,800.00 | - | 27,258.21 | 1,085,936.47 | 330,605.32 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| UCC 10175 Pines Blvd* | Permitting/Bidding | LEE CONSTRUCTION | SALTZ MICHELSON ARCHITECTS | 4,000,000.00 | 123,393.86 | 63,017.26 | 167,254.46 | 3,646,334.42 | 2,188,200.00 | 328,230.00 | TBD | Bid | 07/24/2024 | TBD | TBD | Yes | Unforeseen Conditions |
| MHS IT Data Center ASCO Equipment | Planning | TBD | GRESHAM SMITH | 1,000,000.00 | - | - | - | 1,000,000.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| Memorial Hospital Miramar - 45 | | | | | | | | | | | | | | | | | |
| Monument Sign Replacements* | Permitting/Bidding | LEE CONSTRUCTION | HARVARD JOLLY INC | 2,092,000.00 | 131,332.50 | 410,713.85 | 1,509,355.71 | 40,597.94 | 1,728,615.00 | 259,000.00 | Yes | Bid | 03/27/2024 | 12/10/2024 | 09/30/2025 | Yes | On Schedule |
| MHM Ultrasound Xray Room Relocation/ED Overflow* | Permitting/Bidding | LEE CONSTRUCTION | HARVARD JOLLY INC | 1,389,500.00 | - | 48,445.93 | 573,254.58 | 767,799.49 | TBD | - | Yes | Bid | April 2025 | TBD | TBD | TBD | TBD |
| MOB2 MRI/CT Lab* | Permitting/Bidding | LEE CONSTRUCTION | HARVARD JOLLY INC | 9,400,000.00 | 66,840.00 | 108,238.54 | 8,492,774.66 | 732,146.80 | 3,140,550.00 | 471,000.00 | Yes | Bid | 07/24/2024 | TBD | TBD | TBD | TBD |
| Memorial Hospital Pembroke - 44 | | | | | | | | | | | | | | | | | |
| MHP Roof Replacement* | Permitting/Bidding | LEGO CONSTRUCTION | HARVARD JOLLY INC | 1,350,000.00 | - | 98.4 | 428,066.53 | 921,835.07 | 3,840,661.65 | 768,132.00 | No | Bid | 01/20/2025 | TBD | TBD | TBD | TBD |
| Douglas Road Free Standing ED* | Construction | DPR CONSTRUCTION | HKS ARCHITECTS INC | 52,852,300.00 | 1,616,932.05 | 393,236.05 | 6,834,358.83 | 44,007,773.07 | 38,449,952.00 | 1,088,206.00 | Yes | GMP | 10/24/2024 | 03/10/2025 | 07/17/2026 | Yes | On Schedule |
| Red Road Free Standing ED* | Construction | DPR CONSTRUCTION | HKS ARCHITECTS INC | 34,804,100.00 | 339,962.09 | 675,621.04 | 4,445,738.79 | 29,342,778.08 | 23,358,673.00 | 661,095.00 | Yes | GMP | 10/24/2024 | 03/03/2025 | 04/17/2026 | Yes | On Schedule |
| MHP OR 7 & 8 Renovation | Construction | LEE CONSTRUCTION | SALTZ MICHELSON ARCHITECTS | 2,791,000.00 | 247,044.66 | 1,180,541.09 | 1,030,326.54 | 333,087.71 | 1,747,842.00 | 262,000.00 | Yes | Bid | 09/27/2023 | 09/09/2024 | 03/27/2025 | Yes | Completed |
| MHP MRI Replacement* | Planning | TBD | HARVARD JOLLY INC | 3,000,000.00 | - | - | - | 3,000,000.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | Yes | On Schedule |
| Memorial Hospital West - 43 | | | | | | | | | | | | | | | | | |
| Envelope Repairs* | Hold | TBD | HARVARD JOLLY INC | 3,487,700.00 | 182,196.00 | 20,244.00 | 177,345.95 | 3,107,914.05 | TBD | TBD | TBD | GMP | TBD | TBD | TBD | TBD | TBD |
| Memorial Hospital West Garage Restoration | Permitting/Bidding | ENGEL CONSTRUCTION | KIMLEY HORN AND ASSOCIATES INC | R&M | 0.00 | 0.00 | 0.00 | 0.00 | TBD | TBD | TBD | Bid | 02/27/2025 | TBD | TBD | TBD | TBD |
| MHW IR Room #2 Equipment Replacement* | Design | TBD | GRESHAM SMITH | 250,000.00 | - | 43,585.00 | 61,045.00 | 145,370.00 | TBD | TBD | TBD | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| MHW CT Scan Room* | Design | TBD | GRESHAM SMITH | 2,186,500.00 | - | 4,700.00 | 1,803,676.16 | 378,123.84 | TBD | TBD | Yes | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| 2nd Floor Labor & Delivery | Construction | LEE CONSTRUCTION | HKS ARCHITECTS INC | 10,779,700.00 | 410,321.08 | 2,882,731.06 | 2,162,298.39 | 5,324,349.47 | 2,768,050.00 | 415,200.00 | Yes | Bid | 02/28/2024 | 08/12/2024 | 05/28/2025 | No | Unforseen Conditions |
| MHW CVI #2 Equipment Replacement | Design | TBD | GRESHAM SMITH | 2,526,300.00 | - | - | 149,966.00 | 2,376,334.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| MHW Elevator 1-2 Modernization | Design | TBD | SALTZ MICHELSON ARCHITECTS | 321,000.00 | - | - | 113,571.00 | 207,429.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| MHW MRI Upgrade | Construction | LEE CONSTRUCTION | HARVARD JOLLY INC | 2,887,800.00 | - | 91,977.64 | 1,107,496.12 | 1,688,326.24 | 912,030.00 | 136,804.00 | Yes | Bid | 09/25/2024 | 03/31/2025 | 08/04/2025 | Yes | On Schedule |
| MHW MCVI West* | Construction | LEE CONSTRUCTION | HARVARD JOLLY INC | 10,300,000.00 | 4,727.18 | 234,296.83 | 9,596,880.24 | 464,095.75 | 5,699,505.00 | 854,925.00 | Yes | Bid | 12/04/2024 | 03/05/2025 | 10/31/2025 | Yes | On Schedule |
| MHW MCI Infusion Expansion* | Permitting/Bidding | THORNTON CONSTRUCTION | HKS ARCHITECTS INC | 2,685,600.00 | - | 231,425.34 | 156,150.69 | 2,298,023.97 | 1,984,552.00 | 297,000.00 | Yes | Bid | 02/27/2025 | TBD | TBD | TBD | TBD |
| Memorial Manor - 20 | | | | | | | | | | | | | | | | | |
| Manor Generator/ATS Replacement* | Design | TBD | SALTZ MICHELSON ARCHITECTS | 500,000.00 | - | 17,772.00 | 88,015.00 | 394,213.00 | TBD | TBD | Yes | Bid | TBD | TBD | TBD | TBD | TBD |
| Manor Piped-in O2* | Permitting/Bidding | TBD | HKS ARCHITECTS INC | 352,267.98 | - | 60,778.50 | 30,040.48 | 261,449.00 | TBD | TBD | Yes | Bid | May Board Tentative | TBD | TBD | TBD | TBD |
| Manor FEMA Hardening* | Permitting/Bidding | LEE CONSTRUCTION | SALTZ MICHELSON ARCHITECTS | 3,250,000.00 | 165,843.43 | 112,322.14 | 145,830.37 | 2,826,004.06 | 4,217,850.00 | 632,000.00 | Yes | Bid | 02/27/2025 | TBD | TBD | TBD | TBD |
| Memorial Physicians Group - 80 | | | | | | | | | | | | | | | | | |
| MHM MOB Suite 309 Maternal Fetal Medicine | Design | TBD | SALTZ MICHELSON ARCHITECTS | 1,553,400.00 | - | - | 48,880.00 | 1,504,520.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| MPG MHW 603 Ste 250 Division of Urology* | Design | TBD | SALTZ MICHELSON ARCHITECTS | 1,550,875.00 | - | 138,110.21 | 103,087.63 | 1,309,677.16 | TBD | TBD | TBD | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| Memorial Primary Care Regional - 640 | | | | | | | | | | | | | | | | | |
| Buildout Dania Beach Center | Construction | LEE CONSTRUCTION | SALTZ MICHELSON ARCHITECTS | 3,121,300.00 | 71,589.80 | 985,952.56 | 1,518,861.43 | 544,896.21 | 1,915,242.00 | 287,000.00 | Yes | Bid | 03/27/2024 | 09/16/2024 | 06/26/2025 | Yes | On Schedule |
| Memorial Regional Hospital - 40 | | | | | | | | | | | | | | | | | |
| MCI Hallandale Expansion* | Design | TBD | HARVARD JOLLY INC | 4,337,400.00 | - | 45,862.50 | 143,762.50 | 4,147,775.00 | TBD | TBD | Yes | Bid | May Board Tentative | TBD | TBD | TBD | TBD |
| MRH Bi-Plane Upgrade (Neuro CVI)* | Permitting/Bidding | LEE CONSTRUCTION | GRESHAM SMITH | 1,400,000.00 | - | 112,855.06 | 1,933,053.56 | (645,908.62) | 758,625.00 | 113,000.00 | Yes | Bid | 02/27/2025 | TBD | TBD | TBD | TBD |
| MRH Therapy Room #1 Linac Replacement | Design | TBD | SALTZ MICHELSON ARCHITECTS | 5,085,100.00 | 270,455.73 | (268,159.48) | 102,830.49 | 4,979,973.26 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| MRH Service Elevators 1-2-3* | Permitting/Bidding | TBD | SALTZ MICHELSON ARCHITECTS | 900,000.00 | - | 62,718.75 | 25,381.25 | 811,900.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| MRH Kidney Transplant Clinic* | Construction | Landlord Fit Out | HARVARD JOLLY INC | 2,950,000.00 | - | 132,000.31 | 35,659.69 | 2,782,340.00 | TBD | TBD | Yes | BID | 01/20/2025 | TBD | 10/25/2025 | Yes | On Schedule |
| ER Renovation* | Construction | TURNER CONSTRUCTION | HARVARD JOLLY INC | 20,759,500.00 | 9,660,510.08 | 4,717,374.14 | 4,084,986.44 | 2,296,629.34 | 16,401,716.00 | 1,922,604.00 | Yes | GMP | 05/25/2022 | 01/09/2023 | 11/25/2025 | No | Unforseen Conditions |
| MRH Chiller Replacement* | Planning | TBD | DAVILA ENGINEERING | 800,000.00 | - | - | - | 800,000.00 | TBD | TBD | TBD | Bid | TBD | TBD | TBD | TBD | TBD |
| Master Plan Surgery & Tower* | Permitting/Bidding | ROBINS & MORTON | HKS ARCHITECTS INC | 37,417,100.00 | 9,360,463.75 | 4,689,658.87 | 1,468,754.96 | 21,901,222.42 | TBD | TBD | TBD | GMP | TBD | TBD | TBD | TBD | TBD |
| Memorial Regional Hospital South - 41 | | | | | | | | | | | | | | | | | |
| MRHS Pedestrian Bridge Restoration | Permitting/Bidding | LEGO CONSTRUCTION | KIMLEY HORN AND ASSOCIATES INC | 500,000.00 | - | 27,800.00 | 26,200.00 | 446,000.00 | 1,688,315.20 | 253,000.00 | Yes | Bid | 02/27/2025 | TBD | TBD | TBD | TBD |
| Chiller 3 Replacement | Construction | LEE CONSTRUCTION | SALTZ MICHELSON ARCHITECTS | 2,430,000.00 | 173,453.37 | 570,557.84 | 1,026,985.79 | 659,003.00 | 1,456,277.00 | 218,000.00 | Yes | Bid | 04/26/2023 | 12/03/2024 | 06/30/2025 | Yes | On Schedule |
| MRHS CT Imaging Suite Addition | Design | TBD | HARVARD JOLLY INC | 1,250,000.00 | - | 55,866.79 | 75,229.21 | 1,118,904.00 | TBD | TBD | TBD | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| HVAC AHU 3 | Design | TBD | SALTZ MICHELSON ARCHITECTS | 2,198,400.00 | 1,560.00 | 56,600.00 | 29,986.00 | 2,110,254.00 | TBD | TBD | TBD | Bid | June Board Tentative | TBD | TBD | TBD | TBD |
| MRHS Remediation | Planning | THORNTON CONSTRUCTION | HKS ARCHITECTS INC | N/A (New) | - | - | - | - | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD |

* Projects pending FY 26 Capital Funding



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TO: Shane Strum, Interim President and Chief Executive Officer

FROM: Mark Greenspan, Vice President
Construction & Property Management

SUBJECT: Bid Opening: MHM Ultrasound Xray Room Relocation (ED Overflow)

DATE: March 14, 2025

Bids for multiple projects were opened at 12:00 P.M. on March 14, 2025 in the Executive Conference Room. In attendance were: Commissioner Brad Friedman, David Smith, Joseph Kadis, Stephen Demers, Kim Paez, Carmen Gonzalez, Carina Marrero, Mark Greenspan along with representatives from Engel Construction, Inc., Lee Construction, Inc., Lego Construction Co., and Thornton Construction Company, Inc.

Bids for the MHM Ultrasound Xray Room Relocation were received:

MHM Ultrasound Xray Room Relocation

| | |
|---------------------------------------|----------------|
| ➤ Engel Construction, Inc. | \$1,707,435.45 |
| ➤ Lee Construction Group, Inc. | \$1,306,200.00 |
| ➤ Lego Construction Co. | \$2,214,993.90 |
| ➤ Thornton Construction Company, Inc. | \$1,514,431.63 |

Mr. Greenspan informed the group, as has been the standard practice, that the bids would be reviewed and verified for accuracy.

Recommendations for award will be presented at the next regularly scheduled Board Building Committee Meeting.

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, *Chairwoman* • Steven Harvey, *Vice Chairman* • Douglas A. Harrison, *Secretary Treasurer*

Brad Friedman • Dr. Luis E. Orta • Laura Raybin Miller

Shane Strum, *President and Chief Executive Officer*

Group: S.B.H.D. Contracts Committee **Date:** April 17, 2025
Chairman: Mr. Steven Harvey **Time:** 2:00 p.m.
Vice Chairman: Mr. Douglas Harrison
Location: Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Mr. Douglas Harrison, Ms. Elizabeth Justen, Mr. Brad Friedman, Mr. Shane Strum, Mr. Alan Whaley, Ms. Linda Epstein, Mr. David Smith, Mr. Irfan Mirza, Holly Neville, M.D., Ms. Esther Surujon, Ms. Sarah Griffith, Ms. Jeanette Aleu, and Ms. Kimberly Kulhanjian

The Contracts Committee meeting convened at 2:02 p.m. on April 17, 2025.

1) CALL TO ORDER / PUBLIC MEETING NOTICE CERTIFICATION

The meeting was called to order and legal certification of compliance with Florida's Public Meetings Law was given by Ms. Linda Epstein, Interim General Counsel. The meeting materials were not posted based on assertion of confidentiality.

2) BOARD APPROVAL CONTRACTS

The following agenda items were discussed.

a) New Physician Employment Agreement between Vincente Lemes, M.D. - Pediatric Cardiology and South Broward Hospital District

The Committee reviewed the New Physician Employment Agreement between the South Broward Hospital District and Vincente Lemes, M.D. for Pediatric Cardiology Services.

Dr. Lemes received Doctor of Medicine degree from Universidad Central Del Este in San Pedro de Macoris, Dominican Republic (1985). He completed a Pediatric Residency at Nassau University Medical Center in East Meadow, NY (1992), a Pediatric Cardiology Fellowship at The New York Hospital - Cornell Medical Center in New York (1994) and a Pediatric Cardiology Fellowship at The Johns Hopkins Hospital in Baltimore, MD (1995). Dr. Lemes has practiced in the community in private practice at Pediatric Heart Associates, P.A. since 1998. He is board-certified in Pediatrics and Pediatric Cardiology.

Dr. Lemes will be responsible for providing Pediatric Cardiology Services consistent with the clinical scope of his privileges. He will provide medical care and treatment to all patients who require the services of a Pediatric Cardiologist. He shall provide such services assuring that patient care is delivered in a manner which results in safe, high-quality care, as measured by clinical outcomes and patient satisfaction. Dr. Lemes may also be required to perform other medical administrative services. Under this employment agreement, he will be required to perform such services at any Hospital District location.

The details of Dr. Lemes's compensation package were discussed. The Committee noted that Dr. Lemes's salary was evaluated based upon the 2024 – 2025 Physician Salary Matrix for Pediatric Cardiology.

The Employment Agreement shall be effective July 1, 2025, and shall remain in effect for three (3) years. Physician may terminate this Agreement at any time upon one hundred twenty (120) days prior written

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notice to the Hospital District. Hospital District may terminate this Agreement at any time upon ninety (90) days prior written notice to Physician.

During the Term of the Agreement and for a period of one (1) year following the Term, physician shall not, without the prior written consent of the Hospital District, provide services within the geographic boundaries of the Restricted Area of Broward County plus five (5) miles.

Following further discussion:

The Contracts Committee Recommends to the Board Of Commissioners Approval of the New Physician Employment Agreement with Vincente Lemes, M.D. for Pediatric Cardiology Services

b) New Physician Employment Agreement between Ari Bennett, M.D. - Electrophysiology and South Broward Hospital District

The Committee reviewed the New Physician Employment Agreement between the South Broward Hospital District and Ari Bennett, M.D. for Electrophysiology Services.

Dr. Bennett received a Bachelor's degree from the University of Florida (2012) and a Doctor of Medicine degree from the University Of Miami Miller School Of Medicine (2016). He completed an Internal Medicine Residency (2019), a Cardiology Fellowship (2023) and is currently completing an Electrophysiology Fellowship at UT Southwestern Medical Center. Dr. Bennett is board-certified in Internal Medicine and Cardiovascular Disease.

Dr. Bennett will be responsible for providing Electrophysiology Services consistent with the clinical scope of his privileges. He will provide medical care and treatment to all patients who require the services of an Electrophysiologist. He shall provide such services assuring that patient care is delivered in a manner which results in safe, high-quality care, as measured by clinical outcomes and patient satisfaction. Dr. Bennett may also be required to perform other medical administrative services. Under this employment agreement, he will be required to perform such services at any Hospital District location.

The details of Dr. Bennett's compensation package were discussed. The Committee noted that that Dr. Bennett's salary was evaluated based upon the 2024 – 2025 Physician Salary Matrix for Electrophysiology.

The Employment Agreement shall be effective September 2, 2025, and shall remain in effect for three (3) years. Physician may terminate this Agreement at any time upon one hundred twenty (120) days prior written notice to the Hospital District. Hospital District may terminate this Agreement at any time upon ninety (90) days prior written notice to Physician.

During the Term of the Agreement and for a period of one (1) year following the Term, physician shall not, without the prior written consent of the Hospital District, provide services within the geographic boundaries of the Restricted Area of Broward County plus five (5) miles.

Following further discussion:

The Contracts Committee Recommends to the Board of Commissioners Approval of the New Physician Employment Agreement with Ari Bennett, M.D. for Electrophysiology Services.

c) Renewal Physician Employment Agreement between Lisa Kenigsberg Fechter, M.D. - Pediatric Endocrinology and South Broward Hospital District

The Committee reviewed the Renewal Physician Employment Agreement between the South Broward Hospital District and Lisa Kenigsberg Fechter, M.D. for Pediatric Endocrinology Services.

Dr. Kenigsberg Fechter received a Bachelor's degree from the University of Florida, Gainesville, FL (2005) and a Medical Doctor degree from the University of Florida College of Medicine, Gainesville, FL (2009) and completed a Master Teacher and Leadership Development Program at George Washington University (2017). She completed a Pediatric Internship (2010), Pediatric Residency (2012) and a Pediatric Endocrinology and Diabetes Fellowship (2015) at NYU School of Medicine. Dr. Kenigsberg Fechter served as Medical Director, Pediatric Endocrinology at Broward Health Salah Foundation Children's Hospital (2018-2022) and has been employed by MHS since 2022. She is board-certified in Pediatric Endocrinology and General Pediatrics.

Dr. Kenigsberg Fechter will be responsible for providing Pediatric Endocrinology Services consistent with the clinical scope of her privileges. She will provide medical care and treatment to all patients who require the services of a Pediatric Endocrinologist. She shall provide such services assuring that patient care is delivered in a manner which results in safe, high-quality care, as measured by clinical outcomes and patient satisfaction. Dr. Kenigsberg Fechter may also be required to perform other medical administrative services. Under this employment agreement, she will be required to perform such services at any Hospital District location.

The details of Dr. Kenigsberg Fechter's compensation package were discussed. The Committee noted that that Dr. Kenigsberg Fechter's salary was evaluated based upon the 2024 – 2025 Physician Salary Matrix for Pediatric Endocrinology.

The Employment Agreement shall be effective May 1, 2025, and shall remain in effect for three (3) years. Physician may terminate this Agreement at any time upon one hundred twenty (120) days prior written notice to the Hospital District. Hospital District may terminate this Agreement at any time upon ninety (90) days prior written notice to Physician.

During the Term of the Agreement and for a period of one (1) year following the Term, physician shall not, without the prior written consent of the Hospital District, provide services within the geographic boundaries of the Restricted Area of Broward County plus five (5) miles.

Following further discussion:

The Contracts Committee Recommends to the Board of Commissioners Approval of the Renewal Physician Employment Agreement with Lisa Kenigsberg Fechter, M.D. for Pediatric Endocrinology Services.

d) FYI:

- a) New Physician Employment Agreement between Hayley Sacks, M.D. for Pediatric Orthopaedic Surgery and South Broward Hospital District. The Employment Agreement shall be effective November 1, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Pediatric Orthopaedic Surgery is within the President and CEO's approval authority.
- b) New Physician Employment Agreement between Nichole Artz, M.D. for Pediatric Hematology Oncology and South Broward Hospital District. The Employment Agreement shall be effective September 2, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Pediatric Hematology- Oncology is within the President and CEO's approval authority.
- c) New Physician Employment Agreement between Cristina Ortiz Villabona, M.D. for Adult Cardiology and South Broward Hospital District. The Employment Agreement shall be effective September 15, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Adult Cardiology is within the President and CEO's approval authority.

- d) New Physician Employment Agreement between Andrew Rahaman, M.D. for Family Medicine and South Broward Hospital District. The Employment Agreement shall be effective July 1, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Family Medicine is within the President and CEO’s approval authority.
- e) Renewal Physician Employment Agreement between Selbourne Goode, M.D. for Adult Cardiology and South Broward Hospital District. The Employment Agreement became effective April 1, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Adult Cardiology, is within the President and CEO’s approval authority.
- f) Renewal Physician Employment Agreement between David Drucker, M.D.- Staff Relief Pediatric General Surgery and South Broward Hospital District. The Employment Agreement became effective April 1, 2025, and shall remain in effect for one (1) year. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Pediatric General Surgery is within the President and CEO’s approval authority.

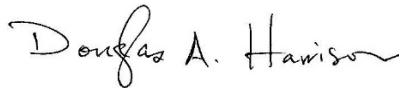
3) NEW BUSINESS

- a) Dr. Holly Neville gave an update to the board on “affiliate physician” status

4) ADJOURNMENT

There being no further business, the meeting was adjourned at 2:33 p.m.

Respectfully Submitted,



Douglas A. Harrison
Vice Chairman
Contracts Committee

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, *Chairwoman* • Steven Harvey, *Vice Chairman* • Douglas A. Harrison, *Secretary Treasurer*

Brad Friedman • Dr. Luis E. Orta • Laura Raybin Miller

Shane Strum, *President and Chief Executive Officer*

Group: S.B.H.D. Audit and Compliance Committee **Date:** April 17, 2025
Chairman: Mr. Steven Harvey **Time:** 2:30 p.m.
Vice Chairman: Mr. Douglas Harrison
Location: Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Mr. Douglas Harrison, Ms. Elizabeth Justen, Mr. Brad Friedman, Ms. Laura Raybin Miller (via Webex – 2:56 pm), Mr. Shane Strum, Ms. Linda Epstein, Mr. David Smith, Mr. Irfan Mirza, Holly Neville, M.D., Ms. Sarah Griffith, Mr. Richard Leon, Ms. Denise DiCesare, Ms. Robin Conner, Ms. Valerie Morris, Mr. John Kulhanjian, Mr. Anil Harris of RSM US LLP, Mr. Wes Campbell of RSM US LLP and Ms. Jenny Ballesteros of Zomma

The Audit and Compliance Committee meeting convened at 2:36 p.m. on April 17, 2025.

1) CALL TO ORDER / PUBLIC MEETING NOTICE CERTIFICATION

The meeting was called to order and legal certification of compliance with Florida's Public Meetings Law was given by Ms. Linda Epstein, Interim General Counsel.

2) NEW BUSINESS

I. PERFORMANCE REVIEW

Wes Campbell of RSM US LLP presented to the Committee the Performance Review to fulfill the requirements outlined in Florida Statute Chapter 189.0695. The performance metrics were reviewed for six defined programs for timeframe May 2021 through April 2024. RSM confirmed that South Broward Hospital District (SBHD) established goals and objective, defined expected benefits of the programs, and the performance measure and standards are reviewed by SBHD to determine if the programs achieve the goals and objectives for all six programs. RSM recommended that the SBHD continue the performance metrics tracking and reporting efforts.

II. BOARD POLICY ON ENGAGEMENT OF AUDITING FIRMS

The Committee was presented with the Board Manual Policy on Engagement of Auditing Firms for review. Florida Statute 218.391 outlines the auditor selection procedures for special taxing districts and requires a formalized process to select auditors for financial audit. The governing body is required to establish an auditor selection committee, and an employee, chief executive officer, or chief financial officer can serve in an advisory capacity only.

Commissioner Harrison made a motion for Ms. Epstein to draft an update to the Board Policy to conform to Florida Statute 218.391. Commissioner Justen first moved the motion, seconded by Commissioner Miller. Commissioner Miller requested language be kept in the Board Policy to provide an option for a request for proposal. Commissioner Miller also requested interview of other firms to get a refreshed perspective on the major trends and projections of what is on the health care horizon.

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3) REVIEW OF THE AUDIT AND COMPLIANCE THIRD QUARTER REPORT:**I. WRITTEN STANDARDS AND PROCEDURES**

The Patient Confidentiality, and Charity Care and Uninsured Discount policies were revised during the quarter.

II. COMPLIANCE OFFICER

The Compliance Officer attended one session each of Florida Compliance and Privacy Consortium, and the Compliance Officer's Roundtable during the quarter as part of her ongoing efforts to stay abreast of emerging industry compliance matters.

Commissioner Miller requested that the Compliance Officer attend the NACD Peer to Peer Share Group to report back to the Board the Trends.

III. TRAINING AND EDUCATION

The Compliance Department provided compliance training at eleven sessions of New Employee Orientation, one session of Leadership Essentials, and one session of the Compliance Working Committee on the Compliance Program.

IV. OPEN LINES OF COMMUNICATION**A. Hotline Calls**

During the quarter, 94 calls, of which 32 were callbacks, were placed to the System's Compliance Hotline covering 63 new topics and one old topic. Eight topics were compliance allegations (eight calls, 18 callbacks). Three topics were HIPAA Privacy allegations (three calls). Two topics were Patient Safety allegations (two calls). Two topics were Quality of Care/Service allegation (two call). All of the calls were investigated and one of the compliance allegations was substantiated.

Finally, eight topics were informational (seven calls, three callbacks), four topics were incomplete calls (four calls), and 36 new topics and one old topic (36 calls, 11 callbacks) were employee-management relations issues. The employee-management relations issues have been forwarded to the Employee Relations and Human Resources Departments.

V. ENFORCEMENT & DISCIPLINE

Sanction checks were conducted of employees, physicians, vendors, volunteers, and students. There were no sanctions during the quarter.

The Calendar Year (CY) 2025 Conflicts of Interest Questionnaire cumulative employee completion rate is 35%, in which 6,140 of the 17,495 employees completed their questionnaire. There were 104 reports of possible or potential conflict of interest that were researched.

The Conflicts of Interest for Calendar Year 2024 Survey Results were presented to the Committee. The opportunities to continue to improve the response rates and decrease disclosures made in error will be addressed with training and education.

Commissioner Harrison requested that all conflicts go to legal for review.

VI. RISK ASSESSMENT, MONITORING & AUDITING**VII. RESPONSE & PREVENTION****A. Recurring internal audits were conducted of:**

- Construction Projects;
- Requests For Proposal and Competitive Quotes;
- Board Expenses;

- Government Relations Expenses; and
- Employee Travel and Reimbursements.

No irregularities were found in the RFP, Competitive Quotes, Board Expenses, and Government Relations Expenses audits. An overpayment was identified in one Construction project. Commissioner Harrison requested an inventory of leased space and property in Tallahassee. Opportunities for improvement were identified in the Employee Travel and Reimbursements.

Meeting was recessed at 4:10 PM.

The Meeting was reconvened at 6:36 PM.

B. Internal Audits were conducted of:

- Internal Audit of Requirements for Request for Proposals at MHS,
- Internal Audit of Facilities Management at MHS, and
- Internal Audit of Artificial Intelligence Governance at MHS

Opportunities for improvement in record documentation were noted in the Requirements for Request for Proposals at MHS, Internal Audit of Facilities Management at MHS, and Internal Audit of Artificial Intelligence Governance at MHS. Management has developed detailed corrective action plans for each of these audits.

Commissioner Justen would like confirmation that the Request For Proposal threshold amount is \$300,000 per project or an annual expense.

C. Compliance audits were conducted of:

- 340B Program at Memorial Healthcare System - FY 2025 Third Quarter,
- Documentation and Billing of Screening Colonoscopy at MRH,
- Documentation and Billing of MS-DRG 207 and MS-DRG 208 at MRH,
- Documentation and Billing of Controlled Substances in Hematology and Oncology Inpatient Department at MRH,
- MCI Hematology and Oncology Procedures for MPG Professional Coding and Billing,
- Evaluation and Management Services and Procedures for Urology Professional Coding and Billing at MPG,
- Evaluation and Management Services for Orthopedic Surgery Professional Coding and Billing MPG,
- Follow Up of the Documentation and Billing of Diabetes Self-Management Education and Support Services Program at MRH, and
- Follow Up of the Important Message from Medicare Notice at MHP.

Opportunities for improvement in record documentation were noted in the 340B Program at Memorial Healthcare System - FY 2025 Third Quarter, Documentation and Billing of MS-DRG 207 and MS-DRG 208 at MRH, Documentation and Billing of Controlled Substances in Hematology and Oncology Inpatient Department at MRH, Evaluation and Management Services and Procedures for Urology Professional Coding and Billing at MPG, Evaluation and Management Services for Orthopedic Surgery Professional Coding and Billing MPG, and Follow Up of the Important Message from Medicare Notice at MHP. Management has developed detailed corrective action plans for each of these audits.

D. Services Provided by Protiviti

Rich Leon, Vice President and Chief Information Security Officer, provided the Committee with a Cybersecurity update and the services provided by Protiviti during the quarter and the remediation to the subsequent observations.

E. The following other reports were provided to the Committee:

Committee members were provided with a copy of the list of RSM and Zomma Group Non-Audit Engagements for the quarter.

Committee members were provided with a copy of the Investor Contact Log for the quarter.

F. Privacy Report

The Committee was updated on the status of the OCR cases and the resolutions, the number of investigations for the fourth quarter of calendar year 2024 and the HIPAA/FIPA breaches that resulted from those investigations.

Commissioner Justen would like the HR Policy on evaluating discipline for employees who commit a privacy breach be evaluated.

G. Audit and Compliance Work Plan – Fiscal Year 2026

The Committee reviewed the Audit and Compliance Work Plan for Fiscal Year 2026.

Request Board Approval of the Fiscal Year 2026 Audit and Compliance Work Plan.

H. The Compliance and Audit Department Policy – Policy No. 1-A: Charter

The Committee members were provided the revised Compliance and Audit Department Policy – Policy No. 1-A: Charter. Commissioner Harrison requested that the Charter be forwarded to Legal and the redlined version be forwarded to the Board members for review.

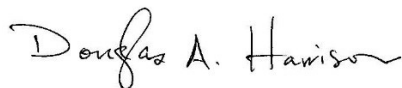
4) OLD BUSINESS

1. **Hotlines categorized Employee Management**
2. **Board Expense Report with last four digits of the credit card used.**
3. **Mr. Strum's Governor's Club Membership.**
Updated to request membership for the Board.
4. **Government Affairs itemized invoices.**
5. **Credit Card Policy updated.**
6. **Employee travel and reimbursement expenses.**
7. **Board Policy on the President and CEO's Authority to Approve Expenditures history**
8. **Follow Up Compliance Audit of the Remote Cardiac Device Evaluation Services - Bio Bridge Solutions LLC background.**
9. **RFP Process for Audit Tax Services and FL Statute 218.391**

5) ADJOURNMENT

There being no further business, the meeting was adjourned at 8:10 p.m.

Respectfully Submitted,



Douglas A. Harrison
Vice Chairman
Audit and Compliance Committee

CONFIDENTIAL–PRELIMINARY DRAFT
Performance Review Not Complete and
Subject to Change
Duplication and Distribution Prohibited

A horizontal bar composed of three segments: grey, green, and blue.

South Broward Hospital District d/b/a Memorial Healthcare System

Performance Review: Florida Statute Chapter 189.0695

January 9, 2025

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DRAFT

TRANSMITTAL LETTER

January 9, 2025

South Broward Hospital District d/b/a Memorial Healthcare System
3501 Johnson Street
Hollywood, FL 33021

Pursuant to our executed statement of work signed September 9, 2024, with South Broward Hospital District d/b/a Memorial Healthcare System (“MHS,” “the SBHD”, “the Special District”), we hereby present our Performance Review to fulfill the requirements outlined in Florida Statute Chapter 189.0695. Our report is organized in the following sections:

| | |
|------------------------------|---|
| Executive Summary | This provides a high-level overview and summary of the procedures and results obtained through this performance review. |
| Background | This provides an overview of the SBHD, as well as relevant background information. |
| Results / Performance | This section provides information related to each primary program, including financial data, goals and objectives, and recommendations resulting from our procedures. |

We would like to thank the staff and all those involved in assisting our firm with this performance review.

Respectfully Submitted,

RSM US LLP

CC Auditor General
President of the Senate
Speaker of the House of Representatives

EXECUTIVE SUMMARY

Background

Since its founding in 1953, the SBHD has been at the forefront of delivering quality healthcare services to residents of South Florida. Committed to advancing health to address community needs, the SBHD ranks among the largest public healthcare systems in the nation and is highly esteemed for its outstanding patient- and family-centered care.

The SBHD monitors its performance through many different oversight mechanisms. The enterprise performance of the SBHD is monitored through a dashboard distributed and reviewed monthly to assess performance across the Seven (7) Pillars of Excellence; Safety, Quality, Service, People, Finance, Growth, and Community.

The SBHD offers many different services, each is aligned in some capacity with at least one of the strategic pillars. We understand the SBHD's current prioritizations include the following, which were the subject of this performance review:

- ❖ Cancer
- ❖ Cardiology - Adult
- ❖ Cardiology - Pediatric
- ❖ Labor and Delivery
- ❖ Neuroscience
- ❖ Rehabilitation

Memorial Healthcare System delivers comprehensive healthcare services through a diverse network of facilities, including Memorial Regional Hospital, Memorial Regional Hospital South, Joe DiMaggio Children's Hospital, Memorial Hospital West, Memorial Hospital Miramar, and Memorial Hospital Pembroke, as well as ambulatory facilities throughout the market.

Objectives and Scope

The primary objective of this engagement was to conduct an independent performance review of the SBHD in accordance with the requirements outlined in Florida Statute Chapter 189.0695. The SBHD has identified six (6) key priorities: Cancer, Adult Cardiology, Pediatric Cardiology, Labor and Delivery, Neuroscience, and Rehabilitation. These prioritizations, along with the goals, objectives and outcomes for each, as defined by the SBHD will constitute the basis of our scope for identifying and evaluating the metrics of the SBHD's major programs. The performance review scope period was May 2021 - April 2024, which was based on the SBHD's fiscal year end.

As part of this performance review, we performed research and analysis including the following procedures:

Evaluation of the Special District

- Conducted an evaluation of the purpose, goals, and objectives outlined in the charter of the Special District.
- Assessed the efficiency and effectiveness of programs and activities, examining their alignment with the Special District's goals, expected benefits, and the use of performance measures and standards.

Financial Analysis and Goal Achievement

- Examined the revenues and costs of programs and activities over the current year and the previous three fiscal years.
- Assessed the extent to which the Special District's goals and objectives have been achieved, assessing clarity, measurability, and alignment with statutory purposes.

Service Delivery Efficiency and Cost Analysis

- Evaluated the delivery of services by the Special District, exploring alternative methods to reduce costs and enhance performance.
- Compared similar services provided by the county and other municipal governments within the Special District's boundaries, considering costs, efficiencies, and potential service consolidations.

Assessment and Recommendations

- Assessed factors contributing to the failure to meet performance measures or standards, if applicable.
- Provided recommendations to enhance the Special District's program operations.

At the conclusion of our performance review, we summarized the results, key takeaways and results into this written report, and conducted exit conferences with management.

We would like to thank all team members who assisted us throughout this performance review.

EXECUTIVE SUMMARY (CONTINUED)

KEY TAKEAWAYS AND RECOMMENDATIONS

Based on our observations and analyses, we present the following recommendations. If not explicitly mentioned, no additional comments or recommendations were made.

The charter for the Special District provides that the Board of Commissioners is authorized and empowered to establish, construct, operate, and maintain such hospital or hospitals and other health facilities as in their opinion are necessary for the use of the people of the Special District, and to establish, construct, operate, and maintain such facilities for the care of such persons requiring limited medical care or treatment as in their opinion is necessary for the people of the Special District. The Mission and Vision of the Special District closely align with the charter, and the primary programs identified by the Special District are established to provide each of the services provided in the Special District's charter.

Through our inquiry of District Management and review of related documentation including financial statements, Board reporting packages, internal/management reporting packages, reporting dashboards, the Special District's charter, Florida Statutes, flyers and brochures, etc. we noted the following:

- The Special District has a robust process for continually evaluating performance and effectiveness of its programs.
- All six (6) defined programs have established goals and performance metrics by which success is measured.
- We observed historical tracking and reporting of performance metrics for all six (6) defined programs throughout our scope period which extended from May 2021 - April 2024.
- Performance metrics are actively tracked on a monthly and annual basis, utilizing data visualization dashboards.
- Metrics are communicated to various committees and the Board on a monthly and annual basis, as applicable.
- Performance metrics, while consistently reported during our scope period, are also evaluated and updated by Management to address emerging trends and areas of concern and interest.

The following sections of this report provide detail related to the six (6) defined programs, the established goals, performance metrics, results, and financial information of each. We recommend the Special District to continue its robust performance metrics tracking and reporting efforts.

Through review of the Special District's enabling legislation (Ch. 2004-397, 2016-258), and as excerpted below we understand the FL legislature declared the Special District as a public purpose and necessary for the preservation of the public health, for public use, and for the welfare of the district and inhabitants thereof; and therefore empowers the Special District's Board of Commissioners to establish, construct, operate, and maintain such hospital or hospitals and other health facilities as in their opinion are necessary for the use of the people of the Special District. Further, we confirmed that no county or municipal governments located wholly or partially within the boundaries of the Special District provide the same services as the Special District.

Ch. 2003-397, Section 4(2).

...“It is hereby found and declared to be a public purpose and necessity for the preservation of the public health and for public use and for the welfare of the district and the residents thereof that the board of commissioners of the district have the broadest possible power to provide and structure health facilities and services, and facilities and services incidental or related thereto, in order to meet all types of health needs, and pursuant thereto to have the broadest flexibility to involve public and private persons, for profit and not for profit, in the establishment, maintenance, and operation of such facilities and services so as to provide the board of commissioners with the greatest flexibility permitted by the State Constitution to establish, maintain, and operate, alone or in conjunction with other public or private persons, not for profit and for profit, such health facilities and services, and facilities and services related or incidental thereto, which in the sole judgment of the board of commissioners are responsive to the health needs of the district and are in the public interest.”

BACKGROUND

Overview

The SBHD was established by the Florida Legislature in 1947, laying the foundation for what would become Memorial Healthcare System. Since the opening of Memorial Hospital in 1953, Memorial Healthcare System has been dedicated to delivering high-quality healthcare services to the region.

At the heart of Memorial Healthcare System is Memorial Regional Hospital, one of the largest hospitals in Florida. Renowned for its breadth and quality of care, Memorial Regional Hospital offers an extensive range of specialized services, including Memorial Cardiac and Vascular Institute, which features surgeons and state-of-the-art treatment options; Memorial Cancer Institute, a leading provider of cancer care in Broward County; and Memorial Neuroscience Institute, known for its innovative technology and medical expertise. This integrated healthcare system delivers specialized services designed to meet diverse patient needs, including comprehensive cancer care, adult and pediatric cardiology, labor and delivery, advanced neuroscience treatments, and rehabilitation services.

This unique health care system covers the entire county and consists of the following facilities:

- Memorial Regional Hospital
- Memorial Regional Hospital South
- Joe DiMaggio Children's Hospital
- Memorial Hospital West
- Memorial Hospital Miramar
- Memorial Hospital Pembroke
- 24/7 Care Center
- Memorial Manor Nursing Home

Other components of the SBHD include Memorial Physician Group; Memorial Outpatient Pharmacy Services; Memorial Neuroscience Institute; Memorial Rehabilitation Institute; Memorial Outpatient Behavioral Health; U-18 Sports Medicine programs with multiple locations; multiple primary care centers located throughout South Broward County; three Urgent Care Centers; Memorial Cancer Institute, including a partnership with Moffitt Cancer Center; Memorial Cardiac and Vascular Institute; a Graduate Medical Education program on the campus of Memorial Hospital West; Memorial Health Network; Broward Guardian; and Memorial Health Assurance.

Memorial Healthcare System

Mission

The mission of the SBHD is to heal the body, mind and spirit of those they touch.

Vision

The vision of the SBHD is to be a premier clinically integrated delivery system providing access to exceptional patient- and family-centered care, medical education, research and innovation for the benefit of the community we serve.

Prioritizations

The SBHD intends to accomplish their mission and vision through various programs and services, including:

- Cancer
- Cardiology - Adult
- Cardiology - Pediatric
- Labor and Delivery
- Neuroscience
- Rehabilitation

BACKGROUND (CONTINUED)

District Governance

The SBHD was created by Florida Legislature in 1947 and operates pursuant to its Charter, Chapter 2004-397, 2016-258 and Chapter 189 Florida Statutes - Uniform Special District Accountability Act. The SBHD maintains a Charter, Chapter 2004-397, 2016-258 that establishes the framework, authority, and responsibilities of the SBHD within the State's legal and administrative structure.

The SBHD shall be governed by a seven-member Board of Commissioners who serve on a voluntary basis. All commissioners must be qualified electors residing in Broward County for more than one year and a qualified subdistrict for 90 days. All subdistricts require one commissioner each to reside within its borders. Each commissioner is appointed for a staggered four-year term with a \$5,000.00 surety bond for the faithful performance of his/her duties. Each commissioner may serve until their successors are appointed. A quorum consists of 4 commissioners, with a vote of at least 3 being necessary to conduct business transactions.

According to the Special District Charter, *“the Board of Commissioners is hereby authorized and empowered to establish, construct, operate, and maintain such hospital or hospitals and other health facilities as in their opinion are necessary for the use of the people of the SBHD, and to establish, construct, operate, and maintain such facilities for the care of such persons requiring limited medical care or treatment as in their opinion is necessary for the people of the SBHD.”*

In addition to the Board of Commissioners, the SBHD also maintains additional governance structures responsible for oversight of quality and compliance. The following table outlines some of the additional meetings utilized by the SBHD to achieve established goals and objectives.

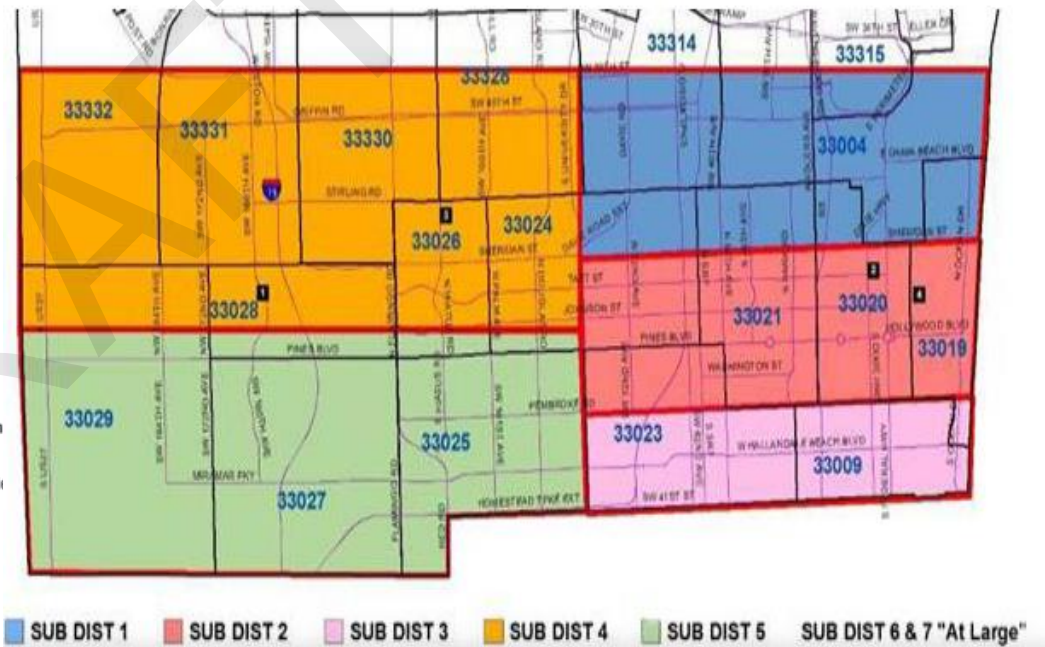
| Leadership Oversight | Composition of Attendees | Frequency |
|--------------------------------|--|-----------|
| Monthly Operating Review (MOR) | Includes MHS Executive Leadership along with each hospital's Chief Medical and Chief Nursing Officers. | Monthly |
| Clinical Leadership | Includes Leadership Development Institute (LDI) and Leader Development for Managers (LDM) level clinical leadership at each hospital | Monthly |
| Department Leaders | Includes Leadership Development Institute (LDI) and Leader Development for Managers (LDM) level leadership at each hospital. | Monthly |
| CNO Divisional meeting | Includes Directors of Nursing, Quality/Safety, Pharmacy, Respiratory, Education | Monthly |

BACKGROUND (CONTINUED)

District Governance (Continued)

The SBHD is dedicated to the health of the community and committed to providing high-quality healthcare services in a fiscally responsible manner, with Memorial's market share in South Broward County estimated at around 63%. The illustrations below provide a comprehensive overview of SBHD's service areas, including:

- Defined boundaries and primary service regions
- Geographic locations of key facilities within SBHD
- Population distribution across Memorial Healthcare System's primary and secondary service areas in Broward County



| Geographical Area | Population | % of Population | Zip Codes |
|----------------------------|------------|-----------------|-----------|
| Broward County Population | 1,947,026 | 100% | -- |
| Broward by Zip Code | 1,940,907 | 99.7% | -- |
| MHS Primary Service Area | 747,169 | 38.0% | 17 |
| MHS Secondary Service Area | 480,716 | 25.0% | 13 |
| MHS Non-Service Area | 713,022 | 37.0% | 23 |

Source: American Community Surveys, 2022: ZCTA level averages. Density is based on the area of the zip code, which does not exclude water bodies.

BACKGROUND (CONTINUED)

District Governance (Continued)

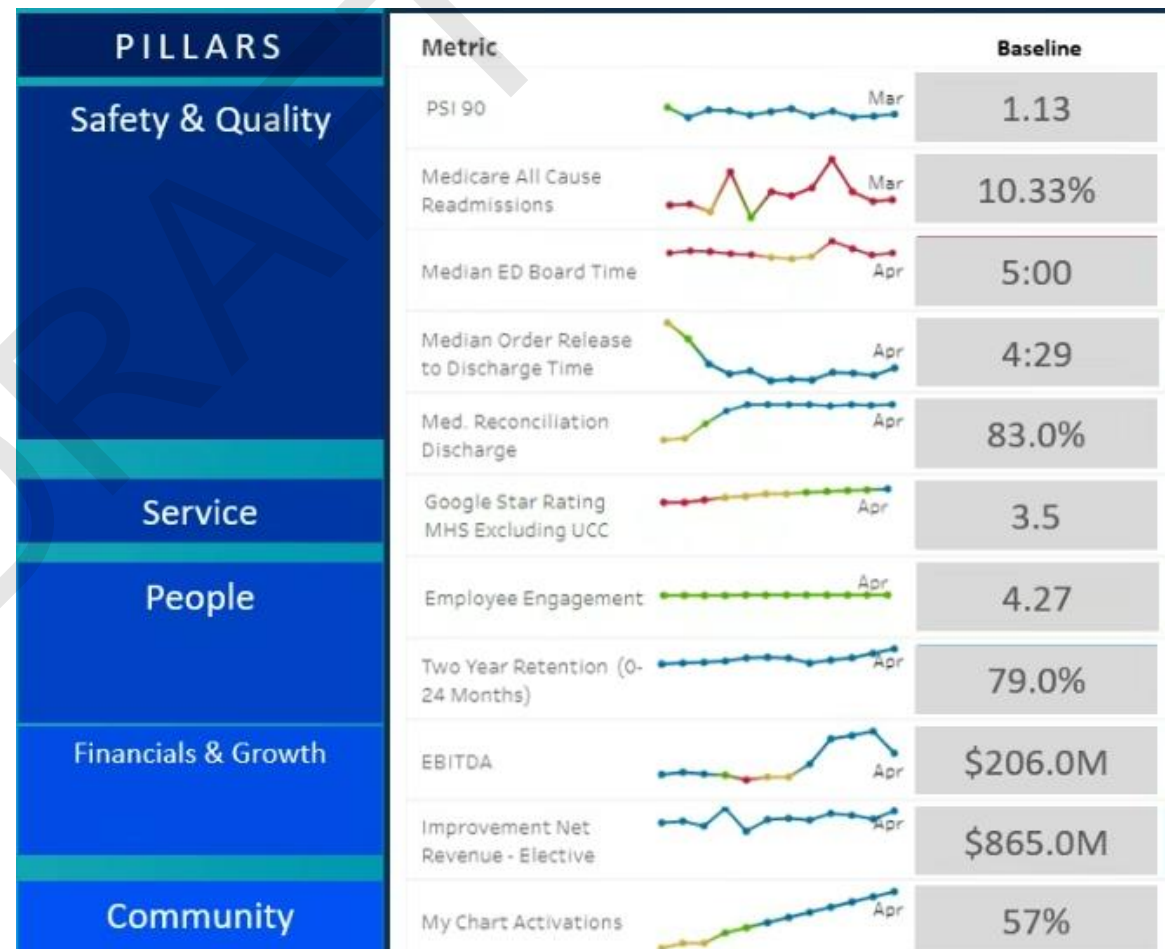
As part of the SBHD's ongoing monitoring efforts, management conducts a comprehensive review of key performance metrics across the entire healthcare system. This dashboard presents metrics related to Safety and Quality, Service, People, Finance & Growth, and Community, with each category rolling up through the primary programs included in this performance review. The dashboard is shared at the Monthly Operating Review (MOR) which includes attendees from leadership positions across the SBHD. Monthly, the group meets to review the results of these enterprise level goals and metrics. A designated stakeholder is assigned to each performance metric and is responsible for providing updates and insights on their respective metrics during the meeting.

Each metric is monitored against a benchmark provided by EPIC. When EPIC benchmarks are unavailable, the dashboard generates a benchmark based on historical performance. EPIC's data warehouse also enables benchmarking against other EPIC users. The SBHD recognizes the importance of bedside caregivers having access to data, empowering them to drive improvements. Additionally, doctors can compare their performance against EPIC benchmarks. New metrics are continuously identified and tracked, with insights used to actively engage underperforming units and foster improvement.

The illustration to the right provides an example of the dashboard reporting provided during the MOR to evaluate the performance of MHS during the fiscal year 2024. The primary purpose of this dashboard is to serve as a proactive tool for assessing enterprise-level performance, enabling data-driven, strategic decision making across the organization. It fosters a culture of continuous improvement and alignment with organizational objectives.

Each year, the SBHD's leadership team evaluates enterprise-level goals and metrics to assess their relevance and effectiveness. This process determines whether new metrics should be added to address emerging priorities or whether existing metrics should be removed from the dashboard due to diminished relevance or utility.

MHS Performance Metrics Fiscal Year 2024

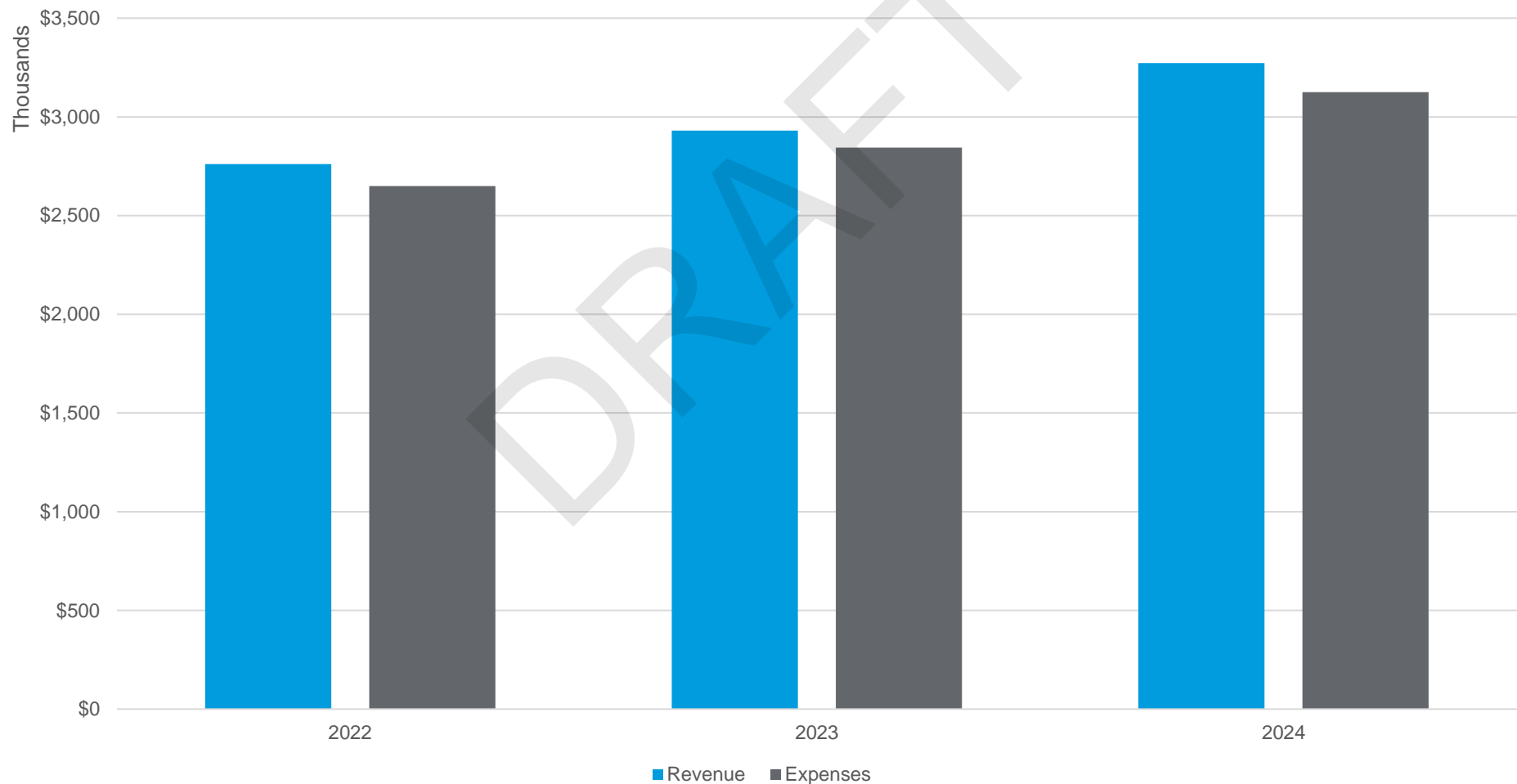


BACKGROUND (CONTINUED)

Financial Performance

The chart below shows MHS's financial performance over the past three fiscal years, highlighting growth in both expenses and revenues. The revenue depicted represents the total operating revenue for the SBHD, which includes net patient service revenue, disproportionate share distributions, and other operating revenues. The expenses are comprised of salaries and wages, employee benefits, professional fees, supplies, purchased services, facilities, depreciation and amortization, as well as other operating expenses.

Total Operating Revenue and Expenses (In Thousands)



RESULTS / PERFORMANCE (CONTINUED)

Cancer Institute

Overview

Memorial Cancer Institute is one of the largest cancer centers in Florida, treating nearly 5,000 newly diagnosed patients each year and pioneering advances in patient care. Through a research alliance with Florida Atlantic University, Memorial Cancer Institute is among a select group of Florida-designated “Cancer Centers of Excellence,” offering diagnosis, integrated treatment, clinical trials/research, counseling, and support services customized for the patient and their family in a healing environment close to home.

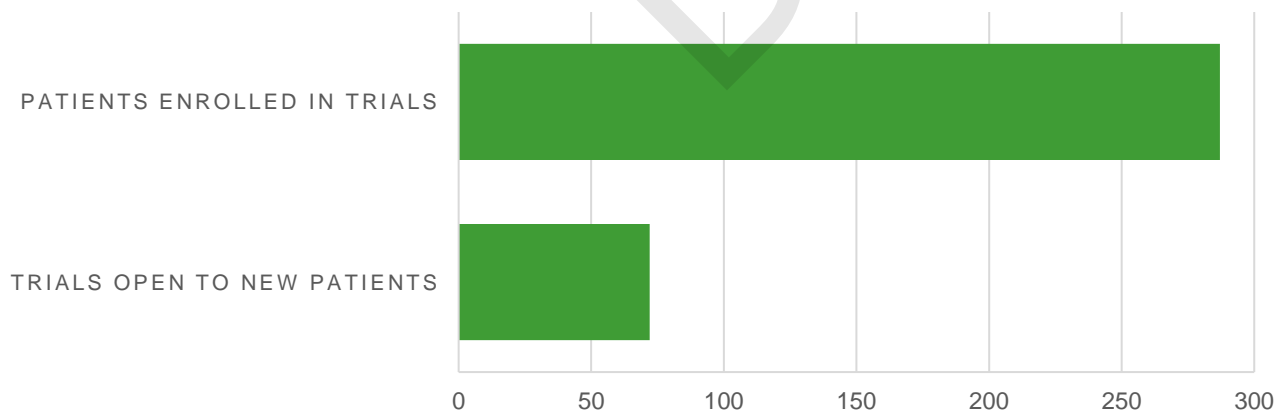
Memorial Cancer Institute recently expanded with a 125,000 square foot center on the campus of Memorial Hospital West in Pembroke Pines that includes disease-specialized oncologists, chemotherapy infusions, a full array of radiation oncology treatments, a dedicated breast center, the Moffitt Malignant Hematology and Cellular Therapy program, the Benign Hematology program, Integrative Medicine and social work, nutrition, and navigation support services. MHS’s partnership with Moffitt Cancer Center brings lifesaving expertise and excellence from one of the nation’s most respected, world-class cancer centers to South Florida.

Memorial Healthcare System’s Cancer Institute is available at the following locations:

- ❖ Memorial Cancer Institute at West
- ❖ Memorial Cancer Institute East Campus (Hollywood)
- ❖ Memorial Cancer Institute at Miramar
- ❖ Memorial Cancer Institute in Hallandale Beach

The chart below illustrates the number of open adult cancer clinical trials treated in the period from April 2023 - March 2024.

OPEN ADULT CANCER CLINICAL TRIALS



Memorial Cancer Institute Conditions Treated

- ❖ Anal Cancer
- ❖ Appendix Cancer
- ❖ Bladder Cancer
- ❖ Breast Cancer
- ❖ Gallbladder and Bile Duct Cancer
- ❖ Colon Cancer
- ❖ Duodenal and Small Intestine Cancer
- ❖ Esophageal Cancer
- ❖ Gastrointestinal Cancer
- ❖ Gynecologic Cancer
- ❖ Head and Neck Cancer
- ❖ Kidney (Renal) Cancer
- ❖ Leukemia, Lymphoma and Multiple Myeloma
- ❖ Liver Cancer
- ❖ Liver Metastases
- ❖ Lung Cancer Treatment
- ❖ Melanoma
- ❖ Pancreatic Cancer
- ❖ Penile Cancer
- ❖ Peritoneal Surface Malignancy
- ❖ Prostate Cancer
- ❖ Rectal Cancer Treatment and Support
- ❖ Soft Tissue Sarcoma
- ❖ Stomach (Gastric) Cancer
- ❖ Testicular Cancer
- ❖ Thyroid Cancer
- ❖ Urologic Cancer

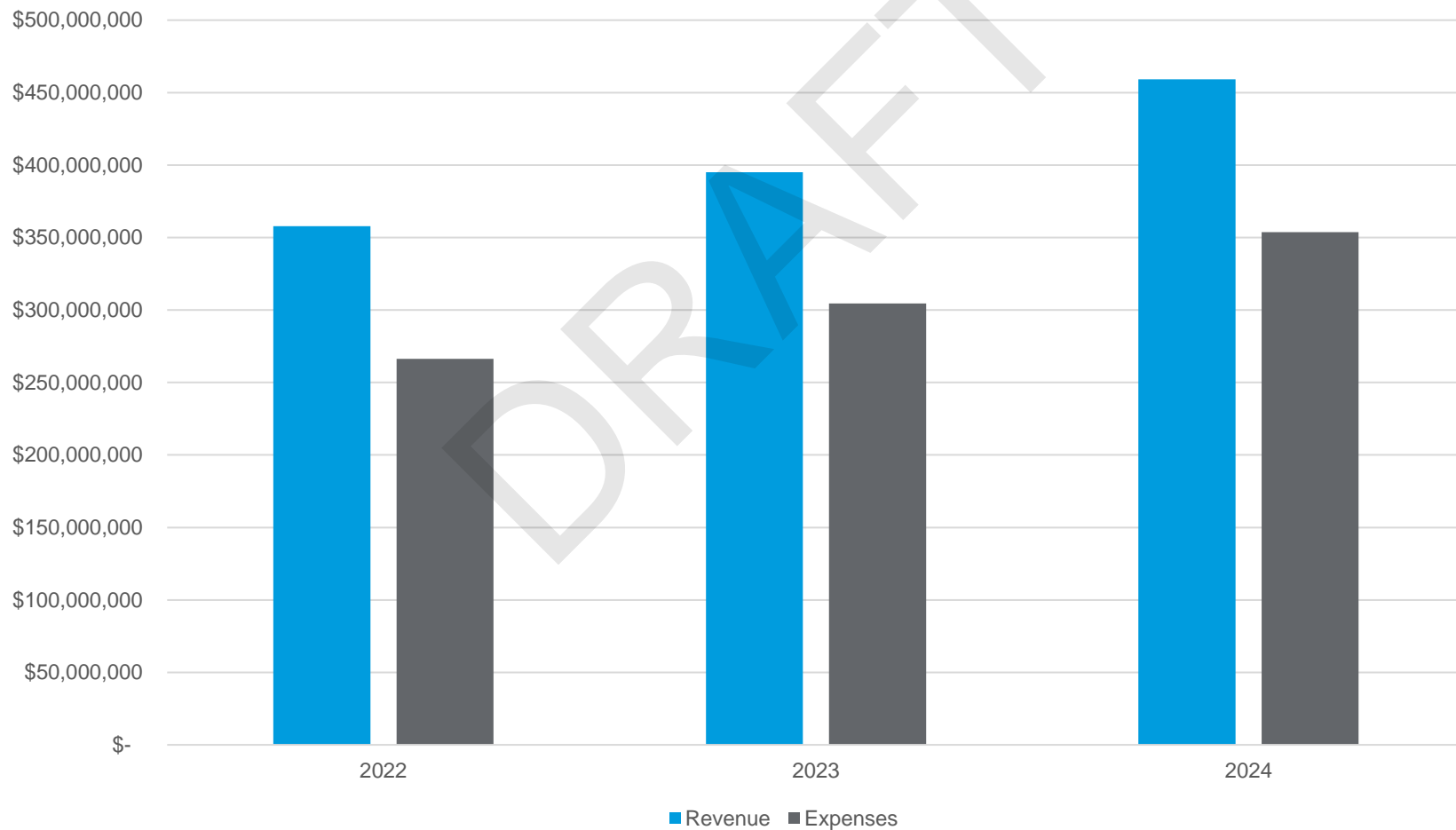
RESULTS / PERFORMANCE (CONTINUED)

Cancer Institute (Continued)

Financial Performance

The chart below illustrates the revenues and expenses for the Cancer Institute at Memorial Healthcare System over the past three fiscal years. According to MHS financial data, the program has seen an increase in overall size, with revenues increasing from over \$357 million in 2022 to more than \$459 million in 2024.

Cancer Institute Revenue and Expenses



RESULTS / PERFORMANCE (CONTINUED)

Cancer Institute (Continued)

Established Goals and Objectives

We confirmed that the SBHD has established goals and objectives for this program, defining the expected benefits of the program, and the performance measures and standards used by the SBHD to determine if the program achieves the SBHD's goals and objectives. The following outlines the specific patient satisfaction goals tracked for this prioritization.

Patient Satisfaction

- ❖ *Goal 1: Rate Provider: The percentage of adult patients who said they would rate their doctor a 9 or 10 out of 10. This metric reflects patient satisfaction and the quality of care provided at Memorial Healthcare System.*
 - *Benchmark: Florida Average, Press Ganey Oncology Patient Survey Database.*
- ❖ *Goal 2: Physician Communication Quality: This goal embodies the percentage of patients who answered "always" to questions about how well the provider explained things clearly, listened attentively, showed respect, and spent enough time with the patient. This metric reflects the quality of patient-provider communication, essential for patient satisfaction, trust, and overall care outcomes.*
 - *Benchmark: Florida Average, Press Ganey Oncology Patient Survey Database.*
- ❖ *Goal 3: Office Staff Quality: The percentage of adult patients who answered "always" to questions about how often office staff were helpful and treated them with courtesy and respect. This metric reflects the quality of customer service and the overall patient experience, which are essential for building trust and satisfaction.*
 - *Benchmark: Florida Average, Press Ganey Oncology Patient Survey Database.*
- ❖ *Goal 4: Access to Care: The percentage of adult patients who answered "always" to questions about how often office staff were helpful and treated them with courtesy and respect. This metric reflects the quality of customer service and the overall patient experience.*
 - *Benchmark: Florida Average, Press Ganey Oncology Patient Survey Database.*
- ❖ *Goal 5: Care Coordination: The percentage of adult patients who answered "always" when asked if their provider followed up on test results, was aware of key details in their medical history, and discussed all prescribed medications. This metric reflects the providers effectiveness in communication and care coordination.*
 - *Benchmark: Florida Average, Press Ganey Oncology Patient Survey Database.*
- ❖ *Goal 6: Likelihood to Recommend: The percentage of adult patients who answered "Yes" when asked if they would recommend this provider's office. This metric reflects overall patient satisfaction and trust.*
 - *Benchmark: Florida Average, Press Ganey Oncology Patient Survey Database.*

RESULTS / PERFORMANCE (CONTINUED)

Cancer Institute (Continued)

Performance Measures

Patient Satisfaction

We assessed the achievement of the SBHD's goals and objectives, focusing on whether they are clearly defined, measurable, aligned with the statutory purpose of the Special District, and provide sufficient guidance for its programs and activities. Our evaluation confirmed that the SBHD systematically tracks and monitors patient satisfaction metrics specific to the Cancer Institute.

For transparency, the SBHD publishes detailed illustrations on its website that showcase progress toward established benchmarks for patient satisfaction metrics specific to the Cancer Institute performance. Using data from the review period, we verified that these goals are well-articulated, and performance is actively monitored. The six (6) patient satisfaction metrics are benchmarked against the Press Ganey Oncology Patient Survey Database over the period of January 2023 – March 2024, and are made available to the public to foster accountability and engagement. Any deviations from established benchmarks are reviewed and discussed as a leadership team during the MOR meeting, to further foster accountability and enhance performance.

Additionally, Cancer Institute goals are displayed on a monthly dashboard presented at the MOR meeting, which includes data for the current month, a rolling 3-month period, a rolling 12-month period, and a 13-month trend. The metrics are color-coded based on the percentile in which the data falls.

RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Adult)

Overview

The SBHD offers comprehensive cardiological care for adult patients through the offices of physicians affiliated with the Memorial Cardiac & Vascular Institute. Memorial Healthcare System's Adult Cardiology Program operates from the Memorial Cardiac & Vascular Institute, where patients receive advanced treatment for a wide range of cardiac needs. Services provided include Diagnostic Cardiac Catheterization, Percutaneous Coronary Intervention, Coronary Artery Bypass Surgery, Trans-Catheter Aortic Valve Replacement (TAVR), combined Coronary Artery Bypass and Aortic Valve Replacement procedures, standalone Aortic Valve Replacement, Ventricular Assist Device (VAD) implantation, and Heart Transplantation procedures. These specialized treatments underscore the Institute's commitment to delivering high-quality, patient-centered cardiac care.

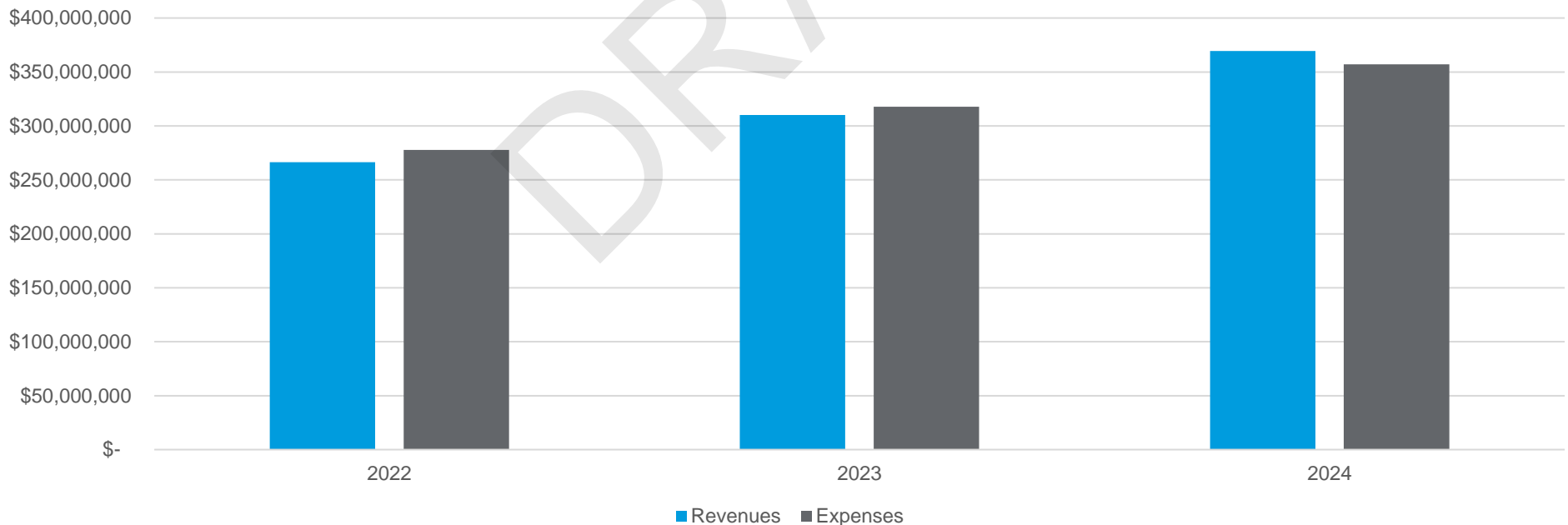
Memorial Healthcare System's Cardiology (Adult) program has the following locations:

- ❖ Memorial Cardiac & Vascular Institute (Memorial Regional Hospital and Memorial Hospital West)

Financial Performance

The chart below illustrates the revenues and expenses for the Memorial Cardiac & Vascular Institute (Adult) over the past three fiscal years. According to the financial data, the program has seen growth, with revenues increasing from over \$266 million in 2022 to more than \$369 million in 2024.

Cardiology (Adult) Revenue and Expenses



RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Adult) (Continued)

Established Goals and Objectives

We confirmed that the SBHD has established goals and objectives for this program, defining the expected benefits of the program, and the performance measures and standards used by the SBHD to determine if the program achieves the SBHD's goals and objectives. The following outlines the specific patient satisfaction goals tracked for this prioritization.

Patient Satisfaction

- ❖ *Goal 1: Rate Provider. The percentage of adult patients who said they would rate their doctor a 9 or 10 out of 10. This metric reflects patient satisfaction and the quality of care provided at Memorial Healthcare System.*
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 2: Physician Communication Quality. This goal embodies the percentage of patients who answered "always" to questions about how well the provider explained things clearly, listened attentively, showed respect, and spent enough time with the patient. This metric reflects the quality of patient-provider communication, essential for patient satisfaction, trust, and overall care outcomes.*
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 3: Office Staff Quality. The percentage of adult patients who answered "always" to questions about how often office staff were helpful and treated them with courtesy and respect. This metric reflects the quality of customer service and the overall patient experience, which are essential for building trust and satisfaction.*
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 4: Access to Care. The percentage of adult patients who answered "always" to questions about how often office staff were helpful and treated them with courtesy and respect. This metric reflects the quality of customer service and the overall patient experience.*
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 5: Care Coordination. The percentage of adult patients who answered "always" when asked if their provider followed up on test results, was aware of key details in their medical history, and discussed all prescribed medications. This metric reflects the providers effectiveness in communication and care coordination.*
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 6: Likelihood to Recommend. The percentage of adult patients who answered "Yes" when asked if they would recommend this provider's office. This metric reflects overall patient satisfaction and trust.*
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*

RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Adult) (Continued)

Established Goals and Objectives (Continued)

Quality and Safety

The following outlines the specific quality and safety goals tracked for this prioritization.

- ❖ *Goal 7: Coronary Artery Bypass Mortality: The percentage of patients, 18 years and older, whose death occurs within 30 days of the surgery. If the death occurs past the 30 days but the patient has not yet been discharged, it is counted as well.*
 - *Benchmark: Society for Thoracic Surgery Like Hospitals National Average.*
- ❖ *Goal 8: Aortic Valve Replacement Mortality: The percentage of patients, 18 years and older, whose death occurs within 30 days of the surgery. If the death occurs past the 30 days but the patient has not yet been discharged, it is counted as well.*
 - *Benchmark: Society for Thoracic Surgery Like Hospitals National Average.*
- ❖ *Goal 9: Coronary Artery Bypass Mortality/Aortic Valve Replacement Mortality: The percentage of patients, 18 years and older, whose death occurs within 30 days of the combined surgery. If the death occurs past the 30 days but the patient has not yet been discharged, it is counted as well.*
 - *Benchmark: Society for Thoracic Surgery Like Hospitals National Average.*
- ❖ *Goal 10: Door to Balloon Time: The percentage of patients with a particular type of heart attack (STEMI) whose blocked coronary artery is opened within 90 minutes of arriving in the Emergency Department. The procedure to open the artery is called a Percutaneous Coronary Intervention (PCI). The goal is to maximize the percentage of patients who have the procedure done in less than 90 minutes.*
 - *Benchmark: American College of Cardiology National Average.*
- ❖ *Goal 11: Infections in Association with Surgery: The percentage of patients 18 years and older undergoing a Heart Bypass (also known as a Coronary Artery Bypass Graft or CABG) who, within 30 days after surgery, develop a “deep sternal wound infection”, which is an infection in association with the surgical wound that involves muscle, bone and/or the mediastinum (the cavity within the chest containing the heart, the heart vessels, the esophagus, the trachea, the cardiac nerve and the lymph nodes).*
 - *Benchmark: Society for Thoracic Surgery Like Hospitals National Average.*
- ❖ *Goal 12: Coronary Artery Bypass Surgery Patients Readmissions within 30 Days: The percentage of adult patients who have undergone Coronary Artery Bypass Surgery and are readmitted to the hospital, for any reason, within 30 days of discharge from the hospital.*
 - *Benchmark: Society for Thoracic Surgery Like Hospital National Average.*

RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Adult) (Continued)

Performance Measures

Patient Satisfaction and Quality and Safety

We assessed the achievement of the SBHD's goals and objectives, focusing on whether they are clearly defined, measurable, aligned with the statutory purpose of the SBHD, and provide sufficient guidance for its programs and activities. Our evaluation confirmed that the SBHD systematically tracks and monitors both patient satisfaction and quality and safety metrics specific to Cardiology (Adult).

For transparency, the SBHD publishes detailed illustrations on its website that showcase progress toward established benchmarks for patient satisfaction and quality and safety metrics specific to the Cardiology (Adult) performance. Using data from the review period, we verified that these goals are well-articulated, and performance is actively monitored. The six (6) patient satisfaction metrics are benchmarked against the Press Ganey Cardiology Patient Survey Database over the period of January 2023 – March 2024, and are made available to the public to foster accountability and engagement. Additionally, the six (6) quality and safety metrics are benchmarked against the Society for Thoracic Surgery Like Hospitals and the American College of Cardiology. Any deviations from established benchmarks are reviewed and discussed as a leadership team during the MOR meeting, to further foster accountability.

Additionally, Cardiology (Adult) Institute goals are displayed on a monthly dashboard presented at the MOR meeting, which includes data for the current month, a rolling 3-month period, a rolling 12-month period, and a 13-month trend. The metrics are color-coded based on the percentile in which the data falls.

RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Pediatric)

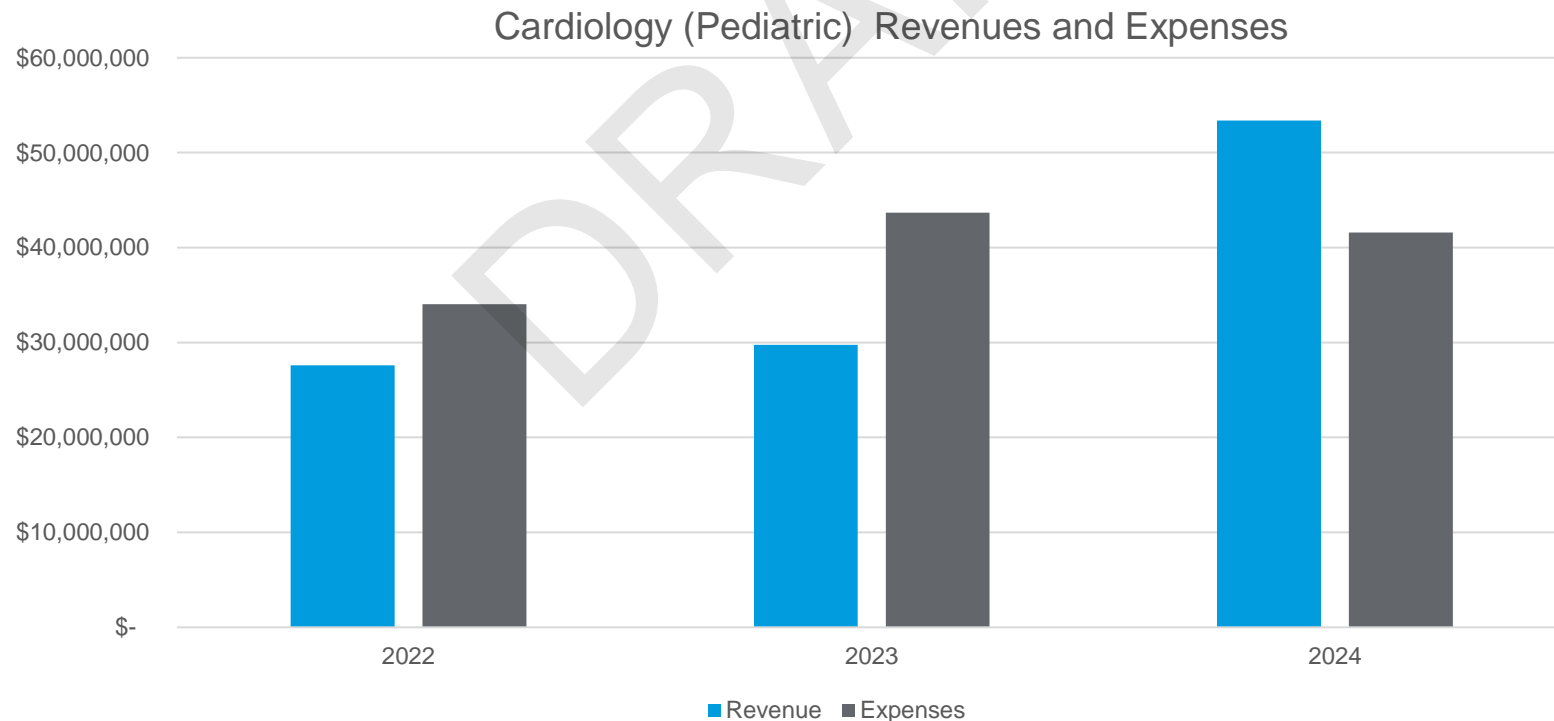
Overview

Memorial Healthcare System's Pediatric Cardiology Program is located within the Joe DiMaggio Children's Hospital Heart Institute, the dedicated pediatric unit of Joe DiMaggio Children's Hospital. The Heart Institute provides a comprehensive range of interventional cardiovascular care, specializing in the diagnosis and treatment of congenital heart conditions, including advanced procedures such as heart transplantation.

Pediatric cardiac services encompass general cardiology, congenital heart surgery, heart transplant, electrophysiology, pediatric heart imaging, management of heart failure in children, and treatment of congenital heart disease. The SBHD's multidisciplinary team comprises leading experts in congenital heart disease, cardiac surgery, heart failure, electrophysiology, cardiac catheterization, heart imaging, anesthesia, and intensive care, ensuring specialized and coordinated care for every patient.

Financial Performance

The chart below illustrates the revenues and expenses for the Memorial Cardiac & Vascular Institute (Pediatric) over the past three fiscal years. According to the financial data, the program has seen growth, with revenues increasing from over \$27 million in 2022 to more than \$53 million in 2024.



RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Pediatric) (Continued)

Established Goals and Objectives

We confirmed that the SBHD has established goals and objectives for this program, defining the expected benefits of the program, and the performance measures and standards used by the SBHD to determine if the program achieves the SBHD's goals and objectives. The following outlines the specific patient satisfaction and quality and safety goals tracked for this prioritization.

Patient Satisfaction

- ❖ *Goal 1: Rate Provider* The percentage of adult patients who said they would rate their doctor a 9 or 10 out of 10. This metric reflects patient satisfaction and the quality of care provided at Memorial Healthcare System.
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 2: Physician Communication Quality.* This goal embodies the percentage of patients who answered "always" to questions about how well the provider explained things clearly, listened attentively, showed respect, and spent enough time with the patient. This metric reflects the quality of patient-provider communication, essential for patient satisfaction, trust, and overall care outcomes.
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 3: Office Staff Quality.* The percentage of adult patients who answered "always" to questions about how often office staff were helpful and treated them with courtesy and respect. This metric reflects the quality of customer service and the overall patient experience, which are essential for building trust and satisfaction.
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 4: Access to Care.* The percentage of adult patients who answered "always" to questions about how often office staff were helpful and treated them with courtesy and respect. This metric reflects the quality of customer service and the overall patient experience.
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 5: Care Coordination.* The percentage of adult patients who answered "always" when asked if their provider followed up on test results, was aware of key details in their medical history, and discussed all prescribed medications. This metric reflects the providers effectiveness in communication and care coordination.
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*
- ❖ *Goal 6: Likelihood to Recommend.* The percentage of adult patients who answered "Yes" when asked if they would recommend this provider's office. This metric reflects overall patient satisfaction and trust.
 - *Benchmark: Florida Average, Press Ganey Cardiology Patient Survey Database.*

Quality and Safety

- ❖ *Goal 7: Congenital Heart Surgery Mortalities:* The percentage of pediatric patients undergoing congenital heart surgery whose death may be associated with the surgery. The measure includes deaths, regardless of cause, occurring within 30 days after surgery in or out of the hospital (including patients transferred to other healthcare facilities), and deaths occurring within 30 days after discharge from the hospital.
 - *Benchmark: Society for Thoracic Surgery Participating Hospitals*

RESULTS / PERFORMANCE (CONTINUED)

Cardiology (Pediatric) (Continued)

Performance Measures

Patient Satisfaction and Quality and Safety

We assessed the achievement of the SBHD's goals and objectives, focusing on whether they are clearly defined, measurable, aligned with the statutory purpose of the SBHD, and provide sufficient guidance for its programs and activities. Our evaluation confirmed that the SBHD systematically tracks and monitors both patient satisfaction and quality and safety metrics specific to Cardiology (Pediatric).

For transparency, the SBHD publishes detailed illustrations on its website that showcase progress toward established benchmarks for patient satisfaction and quality and safety metrics specific to the Cardiology (Pediatric) performance. Using data from the review period, we verified that these goals are well-articulated, and performance is actively monitored. The six (6) patient satisfaction metrics are benchmarked against the Press Ganey Cardiology Patient Survey Database over the period of January 2023 – March 2024, and are made available to the public to foster accountability and engagement. Additionally, the one (1) quality and safety metric is benchmarked against the Society for Thoracic Surgery Like Hospitals. Any deviations from established benchmarks are reviewed and discussed as a leadership team during the MOR meeting, to further foster accountability.

Additionally, Cardiology (Pediatric) Institute goals are displayed on a monthly dashboard presented at the MOR meeting, which includes data for the current month, a rolling 3-month period, a rolling 12-month period, and a 13-month trend. The metrics are color-coded based on the percentile in which the data falls.

RESULTS / PERFORMANCE (CONTINUED)

Labor and Delivery (The Family Birthplace)

Overview

The Memorial Family Birthplace offers comprehensive care for expectant mothers, including labor and delivery services, online maternity classes, breastfeeding and lactation support, and high-quality maternity care. With three locations—Memorial Regional Hospital Family Birthplace, Memorial Hospital West Family Birthplace, and Memorial Hospital Miramar Family Birthplace—the Memorial Family Birthplace provides accessible, premier maternity services throughout the county. These facilities provide a full spectrum of childbirth education, labor and delivery care, and postpartum support to meet the diverse needs of families.

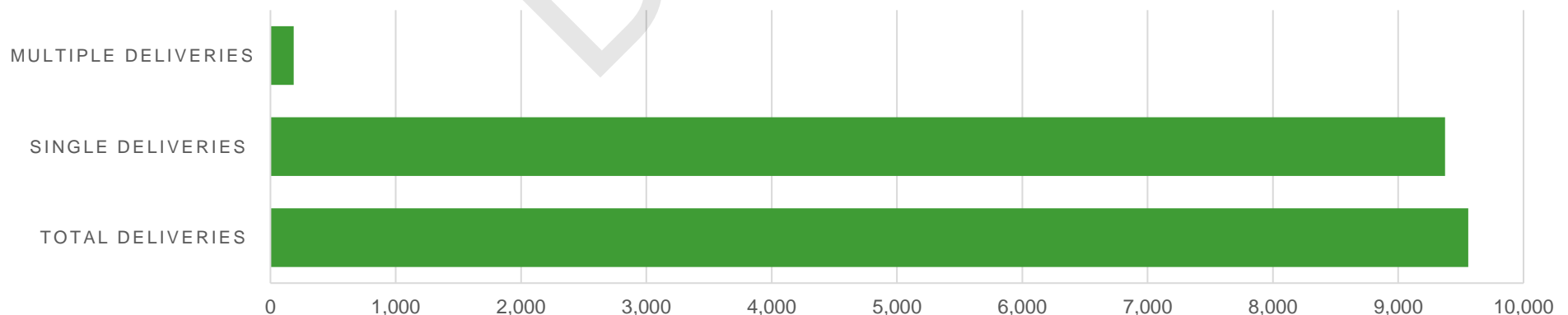
The Joe DiMaggio Children's Hospital offers three NICU locations; Wasie NICU at Joe DiMaggio Children's Hospital, Memorial Hospital Miramar NICU, and Memorial Hospital West NICU. The Wasie NICU is a nationally-recognized Level IV facility for critically ill newborns that require the highest level of complex medical and surgical care. This NICU is the largest in Broward County and one of eleven Regional Perinatal Intensive Care Centers (RPICC) in Florida. The team is committed to providing specialized care to high-risk pregnancies and 24/7 neonatal intensive care services to critically ill and low birth weight newborns. The Joe DiMaggio Children's Hospital at Memorial Hospital Miramar and Memorial Hospital West locations provide comprehensive Level III NICU services for babies who arrive prematurely or need extra medical attention following delivery and can seamlessly transfer babies to the main campus Level IV Wasie NICU if they require a higher level of care or subspecialty evaluation.

Memorial Healthcare System's Labor and Deliver is available at the following locations:

- ❖ Memorial Regional Hospital Family Birthplace
- ❖ Memorial Hospital West Family Birthplace
- ❖ Memorial Hospital Miramar Family Birthplace

The chart below illustrates the number of patients treated at Memorial Family Birthplace in the period from April 2023 - March 2024.

NUMBER OF PATIENTS TREATED AT MEMORIAL FAMILY BIRTHPLACE



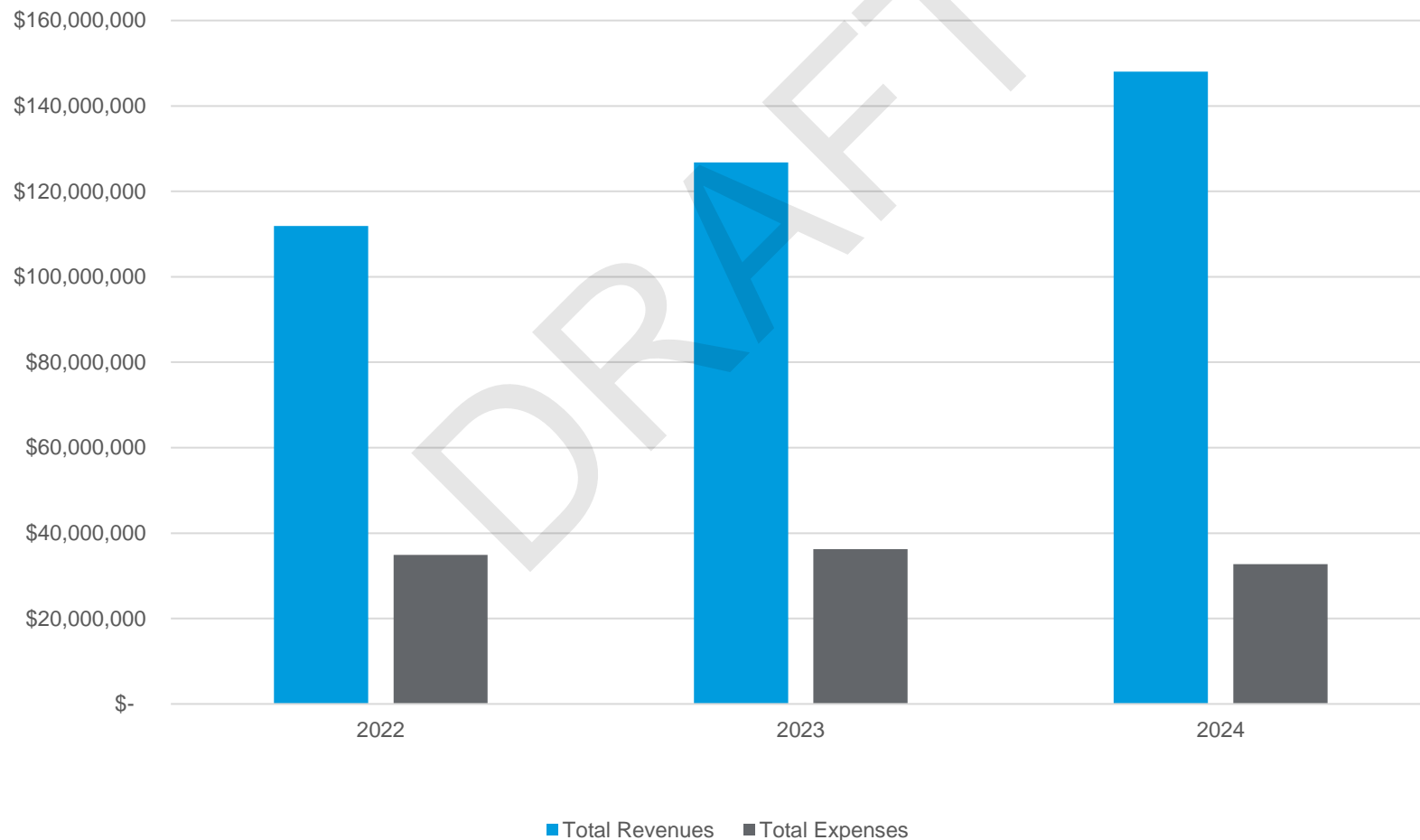
RESULTS / PERFORMANCE (CONTINUED)

Labor and Delivery (The Family Birthplace) (Continued)

Financial Performance

The chart below provides an overview of the combined revenues and expenses for Labor and Delivery services across three hospitals—Memorial Regional Hospital, Memorial Hospital West, and Memorial Hospital Miramar—over the past three fiscal years. According to the financial data, the program has seen growth, with revenues increasing from over \$111 million in Fiscal Year 2022 to more than \$148 million in Fiscal Year 2024.

Labor and Delivery Revenue and Expenses



RESULTS / PERFORMANCE (CONTINUED)

Labor and Delivery (The Family Birthplace) (Continued)

Established Goals and Objectives

We confirmed that the SBHD has established goals and objectives for this program, defining the expected benefits of the program, and the performance measures and standards used by the SBHD to determine if the program achieves the SBHD's goals and objectives. The following outlines the specific patient satisfaction goals tracked for this prioritization.

Patient Satisfaction

- ❖ *Goal 1: Rate Hospital: The percentage of patients who answered that they would rate the hospital a 9 or 10.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 2: Recommend Hospital: The percentage of patients who answered "Yes" when asked if they definitely would recommend the hospital.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 3: Communication with Nurses: The percentage of patients who answered "always" when asked if their nurses communicated well.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 4: Communication with Doctors: The percentage of patients who answered "always" when asked if their doctors communicated well.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 5: Quick Response from Hospital Staff: The percentage of patients who answered "always" when asked if they received help as soon as they wanted it.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 6: Communication Regarding Medication: The percentage of patients who answered "always" when asked if the staff explained about medicines before administering them to patients.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 7: Room/Bathroom Cleanliness: The percentage of patients who answered "always" when asked if their rooms and bathrooms were kept clean.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 8: Room Quiet at Night: The percentage of patients who answered "always" when asked if their areas were quiet at night.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 9: Information about Home Recovery: The percentage of patients who answered "yes" when asked if they received information about what to do during their recovery at home.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 10: Care Transitions: The percentage of patients who answered "strongly agree" when asked if they understood their care when they left the hospital.*
 - *Benchmark: Hospital Compare*

RESULTS / PERFORMANCE (CONTINUED)

Labor and Delivery (The Family Birthplace) (Continued)

Established Goals and Objectives (Continued)

Quality and Safety Data

The following outlines the specific quality and safety goals tracked for this prioritization.

- ❖ *Goal 11: Patients Who Breastfeed: The percentage of mothers feeding their baby exclusively with breast milk.*
 - *Benchmark: Joint Commission*
- ❖ *Goal 12: Patients with Primary Caesarean Sections (C-Sections): The percentage of primary (first-time) C-sections performed.*
 - *Benchmark: Florida Hospital Association*
- ❖ *Goal 13: Patients with Early Elective Deliveries: The percentage of elective deliveries performed.*
 - *Benchmark: Hospital Compare*
- ❖ *Goal 14: Patients with Episiotomy: The percentage of deliveries where an episiotomy is performed.*
 - *Benchmark: National Perinatal Information*

RESULTS / PERFORMANCE (CONTINUED)

Labor and Delivery (The Family Birthplace) (Continued)

Performance Measures

Patient Satisfaction and Quality and Safety

We assessed the achievement of the SBHD's goals and objectives, focusing on whether they are clearly defined, measurable, aligned with the statutory purpose of the SBHD, and provide sufficient guidance for its programs and activities. Our evaluation confirmed that the SBHD systematically tracks and monitors both patient satisfaction and quality and safety metrics specific to Labor and Delivery.

For transparency, the SBHD publishes detailed illustrations on its website that showcase progress toward established benchmarks for patient satisfaction and quality and safety metrics specific to the Labor and Delivery performance. Using data from the review period, we verified that these goals are well-articulated, and performance is actively monitored. The ten (10) patient satisfaction metrics are benchmarked against the Hospital Compare over the period of January 2023 - December 2023, and are made available to the public to foster accountability and engagement. Additionally, the four (4) Quality and Safety metrics are benchmarked against the Joint Commission, Florida Hospital Association, Hospital Compare, and National Perinatal Information Center. Any deviations from established benchmarks are reviewed and discussed as a leadership team during the MOR meeting, to further foster accountability.

RESULTS / PERFORMANCE (CONTINUED)

Neuroscience

Overview

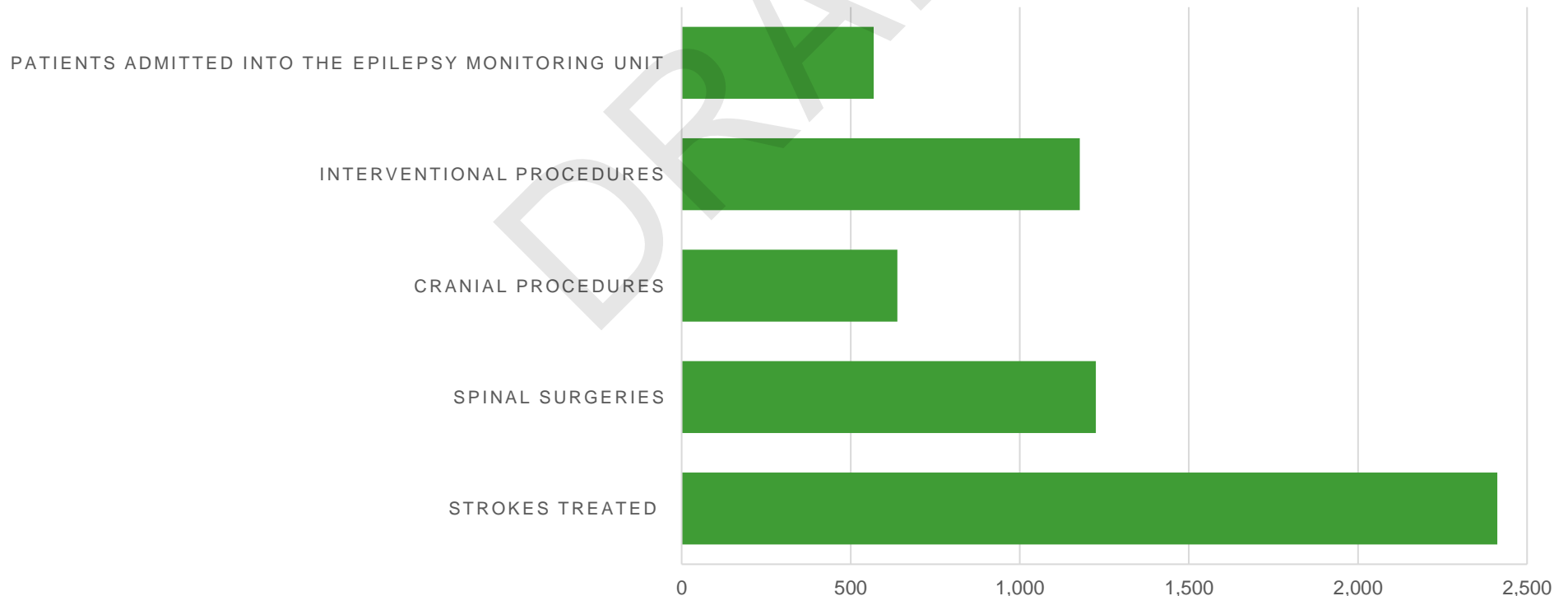
The SBHD provides advanced diagnostic capabilities, comprehensive treatments, and compassionate care for individuals with complex neurological conditions. Its Neuroscience Program offers specialized services in Neurology, Neurosurgery, Neurointerventional Surgery, Surgical Neuro-Oncology, and treatment for conditions such as Alzheimer's disease, dementia, memory loss, back and neck pain, brain aneurysms, headaches and migraines, epilepsy, multiple sclerosis (MS), and stroke.

Memorial Healthcare System's Neuroscience Program operates at multiple locations, ensuring accessible, expert care throughout the region:

- ❖ Neurology services are available at Memorial Regional Hospital, Memorial Hospital West, and throughout the community

These locations are equipped to deliver patient-centered care using the latest advancements in neuroscience to improve outcomes and enhance quality of life. The chart below illustrates the number of patients treated at Memorial Neuroscience Institute in the period from April 2023 - March 2024.

NUMBER OF PATIENTS TREATED AT MEMORIAL NEUROSCIENCE INSTITUTE



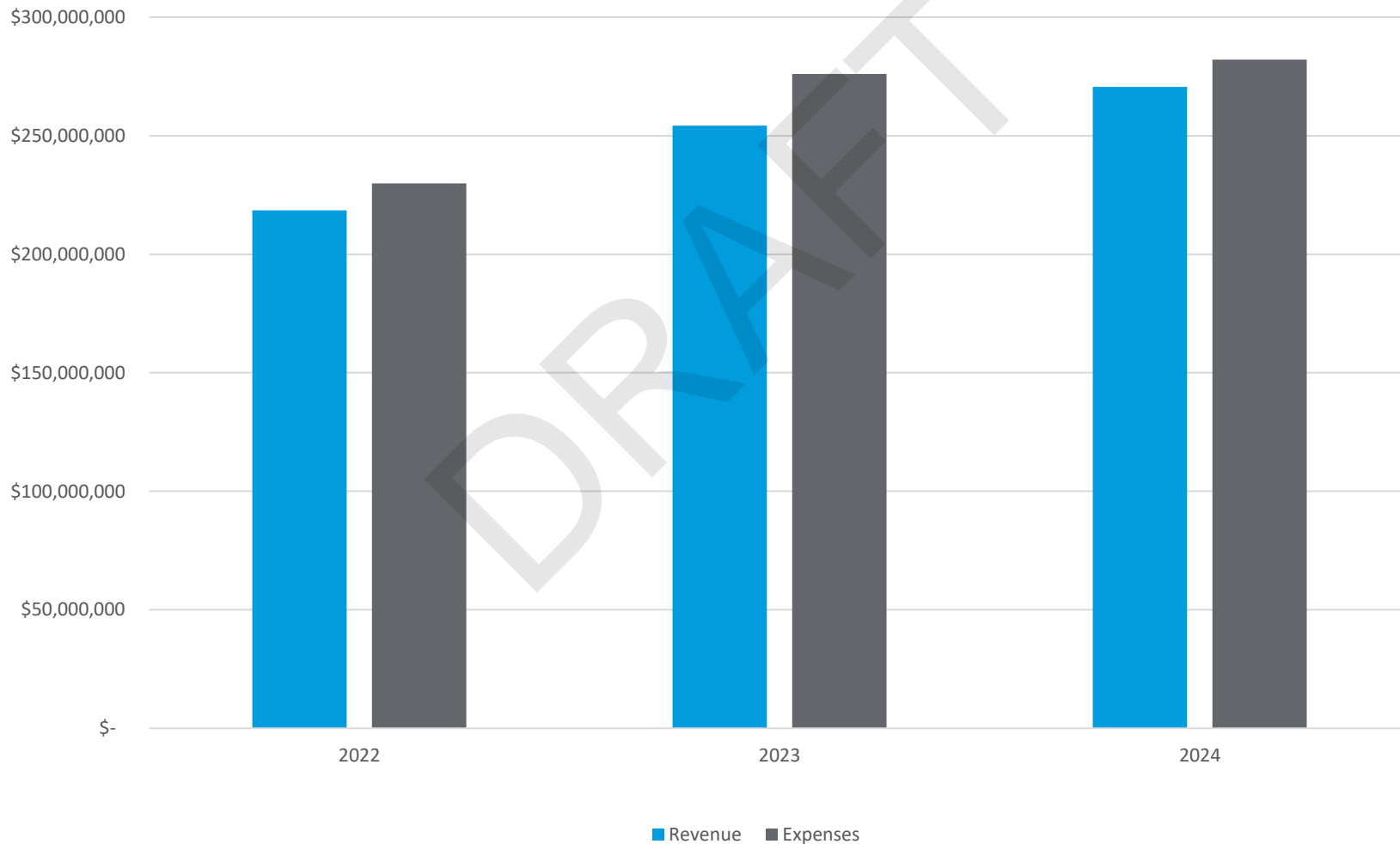
RESULTS / PERFORMANCE (CONTINUED)

Neuroscience (Continued)

Financial Performance

The chart below illustrates the revenues and expenses for Neuroscience over the past three fiscal years. According to the financial data, the program has seen growth, with revenues increasing from over \$218 million in 2022 to more than \$270 million in 2024.

Neuroscience Revenue and Expenses



RESULTS / PERFORMANCE (CONTINUED)

Neuroscience (Continued)

Established Goals and Objectives

We confirmed that the SBHD has established goals and objectives for this program, defining the expected benefits of the program, and the performance measures and standards used by the SBHD to determine if the program achieves the SBHD's goals and objectives. The following outlines the quality and safety goals tracked for this prioritization.

Quality and Safety

- ❖ *Goal 1: tPA within 45 Minutes: The percentage of adult patients experiencing certain types of strokes who are administered tPA (a drug that helps reduce blockage within a blood vessel) within 45 minutes of arrival at the emergency department. The goal is to maximize the percentage of patients receiving tPA within 45 minutes of arrival at the emergency department.*
 - *Benchmark: American Stroke Association, Get With The Guidelines, Florida*
- ❖ *Goal 2: Median Time (Minutes) to tPA: The median time (in minutes) of arrival at the emergency department to time tPA (a drug that helps reduce blockage within a blood vessel) is administered.*
 - *Benchmark: Florida Hospital Stroke Centers*
- ❖ *Goal 3: Stroke Mortality Rate: The percentage of stroke patients whose death occurs within 30 days of admission to the hospital. If the death occurs past the 30 days but the patient has not yet been discharged, it is counted as well.*
 - *Benchmark: Crimson Cohort Expected for Stroke Mortality*
- ❖ *Goal 4: Door to Reperfusion within 120 Minutes: The percentage of patients whose clot was removed and their blood flow was returned to the injured area of the brain.*
 - *Benchmark: Florida Hospital Stroke Centers*

RESULTS / PERFORMANCE (CONTINUED)

Neuroscience (Continued)

Performance Measures

Quality and Safety

We assessed the achievement of the SBHD's goals and objectives, focusing on whether they are clearly defined, measurable, aligned with the statutory purpose of the SBHD, and provide sufficient guidance for its programs and activities. Our evaluation confirmed that the SBHD systematically tracks and monitors quality and safety metrics specific to Neuroscience.

For transparency, the SBHD publishes detailed illustrations on its website that showcase progress toward established benchmarks for quality and safety metrics specific to the Neuroscience performance. Using data from the review period, we verified that these goals are well-articulated, and performance is actively monitored. The four (4) quality and safety metrics are benchmarked against the American Stroke Association, Get With The Guidelines, Florida, Florida Hospital Stroke Centers, Crimson Cohort Expected for Stroke Mortality, and Florida Hospital Stroke Centers over the period of April 2023 – March 2024, and are made available to the public to foster accountability and engagement. Any deviations from established benchmarks are reviewed and discussed as a leadership team during the MOR meeting.

Additionally, Neuroscience goals are displayed on a monthly dashboard presented at the MOR meeting, which includes data for the current month, a rolling 3-month period, a rolling 12-month period, and a 13-month trend. The metrics are color-coded based on the percentile in which the data falls.

RESULTS / PERFORMANCE (CONTINUED)

Rehabilitation

Overview

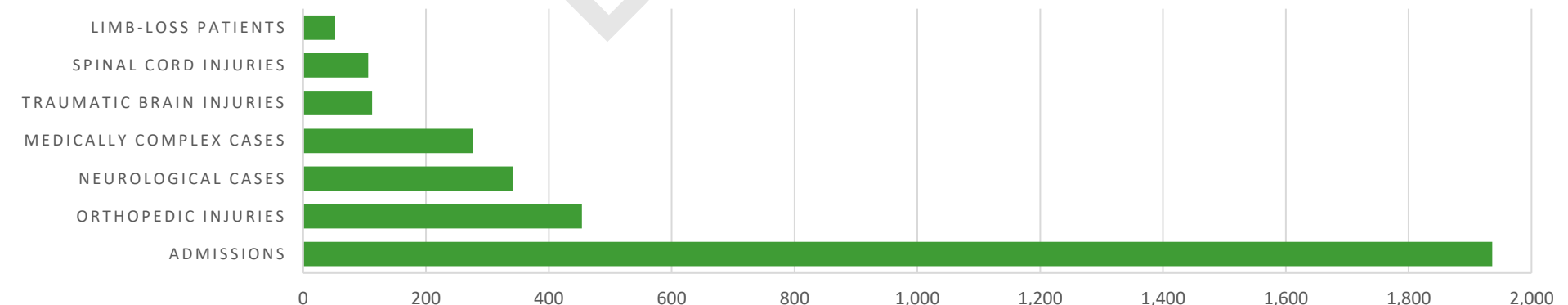
The rehabilitation program provides comprehensive care for a wide range of physical and neurological conditions, offering flexible treatment options that include inpatient, outpatient, and home health rehabilitation services. With a patient and family-centered approach, the program emphasizes personalized care and active family involvement. Advanced technology is utilized to enhance recovery, and short-term skilled nursing services are available at Memorial Manor for patients requiring transitional care. Additional services include driving assessments for safety and providing tailored recommendations, as well as specialized pediatric rehabilitation at Joe DiMaggio Children's Hospital. Notably, the Memorial Rehabilitation Institute at Memorial Regional Hospital South has been named among U.S. News & World Report's 2024–2025 Best Hospitals for Rehabilitation, a recognition that highlights its commitment to quality care, exceptional clinical outcomes, skilled nursing, and positive patient experiences.

Memorial Healthcare System's Rehabilitation program is available at the following locations:

- ❖ Inpatient Rehabilitation
 - Memorial Regional Hospital South
- ❖ Outpatient Rehabilitation
 - Memorial Regional Hospital South
 - Memorial Hospital West
 - Memorial Hospital Miramar
 - Memorial Orthopaedic Surgery and Sports Medicine Center
 - Joe DiMaggio Children's Hospital Rehabilitation Center
 - Joe DiMaggio Children's Health Specialty Center

The chart below illustrates the number of patients treated at Memorial Rehabilitation Institute in the period from April 2023 - March 2024.

NUMBER OF PATIENTS TREATED AT MEMORIAL REHABILITATION INSTITUTE

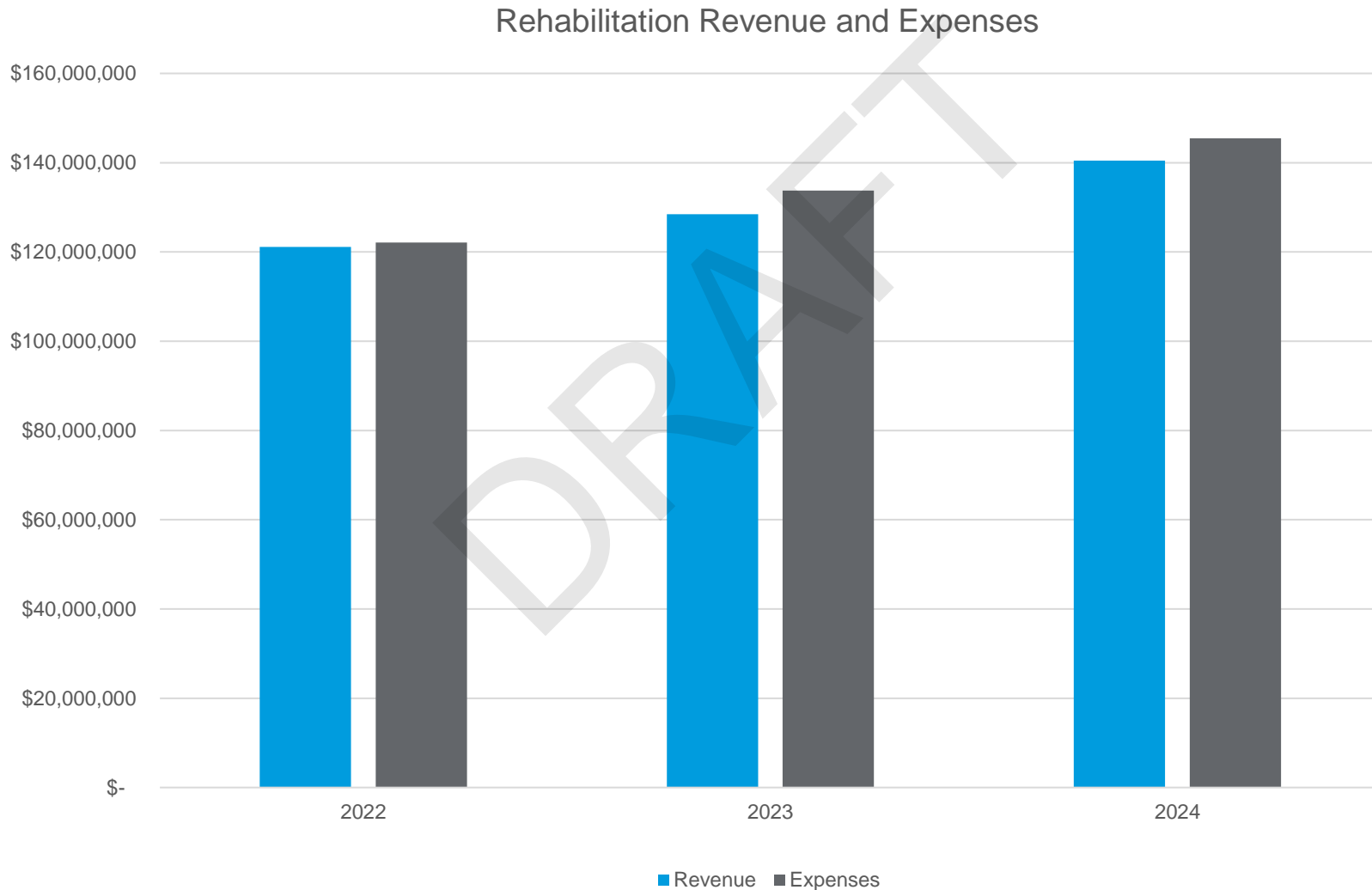


RESULTS / PERFORMANCE (CONTINUED)

Rehabilitation (Continued)

Financial Performance

The chart below illustrates the revenues and expenses for the Memorial Rehabilitation Institute over the past three fiscal years. According to the financial data, the program has seen growth, with revenues and expenses increasing from over \$121 million in 2022 to more than \$140 million in 2024.



RESULTS / PERFORMANCE (CONTINUED)

Rehabilitation (Continued)

Established Goals and Objectives

We confirmed that the SBHD has established goals and objectives for this program, defining the expected benefits of the program, and the performance measures and standards used by the SBHD to determine if the program achieves the SBHD's goals and objectives. The following outlines the patient satisfaction goals tracked for this prioritization.

Patient Satisfaction

- ❖ *Goal 1: Overall Care: On a scale of 0 to 100, the average score of all respondents when asked if they were satisfied with their overall inpatient care.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 2: Nursing Care: On a scale of 0 to 100, the average score of all respondents when asked if nurses were courteous and available, kept them well informed about their treatment and progress, and gave them clear and detailed instructions about their medications and home care.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 3: Physical Therapist Care: On a scale of 0 to 100, the average score of all respondents when asked if physical therapists were courteous, kept them well informed about their treatment and progress, encouraged them to participate in setting their physical therapy goals and helped them to achieve those goals.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 4: Occupational Therapist Care: On a scale of 0 to 100, the average score of all respondents when asked if occupational therapists were courteous, kept them well informed about their treatment and progress, encouraged them to participate in setting their occupational therapy goals and helped them to achieve those goals.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 5: Rehabilitation Doctor Care: On a scale of 0 to 100, the average score of all respondents when asked if doctors were courteous and available, kept them well informed about their treatment and progress, and gave them clear and detailed instructions about their medications and home care.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 6: Information about Home Recovery: On a scale of 0 to 100, the average score of all respondents when asked if staff explained home care plans, what to expect during their recovery at home, and provided assistance with arrangements after discharge.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 7: Care and Sensitivity to Emotional Concerns: On a scale of 0 to 100, the average score of all respondents when asked if staff explained what their stay would be like, provided accurate and complete information about their treatment program, expressed concern for their privacy, controlled their pain effectively, helped them to feel safe and secure, treated them with respect, minimized their inconvenience, expressed concern for their worries, answered their questions effectively, gave them encouragement, and responded promptly to their requests.*
 - *Benchmark: Press Ganey Survey Database*
- ❖ *Goal 8: Likelihood to Recommend: The percentage of adult patients who answered "Yes" when asked if they definitely would recommend this provider's office.*
 - *Benchmark: Press Ganey Survey Database*

RESULTS / PERFORMANCE (CONTINUED)

Rehabilitation (Continued)

Established Goals and Objectives (Continued)

Quality and Safety

The following outlines the quality and safety goals tracked for this prioritization.

- ❖ *Goal 9: Rehabilitation Patients Returning Home: The percentage of rehabilitation patients returning home after discharge during the time indicated.*
 - *Benchmark: USDPRO System*
- ❖ *Goal 10: Rehabilitation Patients Discharged to a Nursing Home: The percentage of patients who required continued therapy and nursing services following their stay at Memorial Rehabilitation Institute and were discharged to a nursing home.*
 - *Benchmark: USDPRO System*
- ❖ *Goal 11: Rehabilitation Patients Transferred to a Hospital: The percentage of rehabilitation patients whose medical condition required transfer to a hospital.*
 - *Benchmark: USDPRO System*

RESULTS / PERFORMANCE (CONTINUED)

Rehabilitation (Continued)

Performance Measures

Patient Satisfaction and Quality and Safety

We assessed the achievement of the SBHD's goals and objectives, focusing on whether they are clearly defined, measurable, aligned with the statutory purpose of the SBHD, and provide sufficient guidance for its programs and activities. Our evaluation confirmed that the SBHD systematically tracks and monitors both patient satisfaction and quality and safety metrics specific to Rehabilitation.

For transparency, the SBHD publishes detailed illustrations on its website that showcase progress toward established benchmarks for patient satisfaction and quality and safety metrics specific to the Rehabilitation performance. Using data from the review period, we verified that these goals are well-articulated, and performance is actively monitored. The eight (8) patient satisfaction metrics are benchmarked against the Press Ganey Survey Database over the period of April 2023 – March 2024, and are made available to the public to foster accountability and engagement. Additionally, the three (3) quality and safety metrics are benchmarked against the USDPRO System. Any deviations from established benchmarks are reviewed and discussed as a leadership team during the MOR meeting, to further foster accountability.

Additionally, Rehabilitation Institute goals are displayed on a monthly dashboard presented at the MOR meeting, which includes data for the current month, a rolling 3-month period, a rolling 12-month period, and a 13-month trend. The metrics are color-coded based on the percentile in which the data falls.



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MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

DATE: January 31, 2025
TO: Shane Strum, Interim President and Chief Executive Officer, MHS
SUBJECT: **AUDIT AND COMPLIANCE – THIRD QUARTERLY REPORT FISCAL YEAR 2025**

Attached is a copy of the third quarterly report of fiscal year 2025 summarizing the activities of the Internal Audit and Compliance Department from November 1, 2024, through January 31, 2025, for your records.

Please let me know if you have any questions regarding this report.

A handwritten signature in black ink, appearing to read 'Denise D. DiCesare'.

Denise (Denny) DiCesare
Chief Compliance and Internal Audit Officer

cc: Dave Smith, Executive Vice President and Chief Financial Officer, MHS
Alan Whaley, Interim Chief Operating Officer

I. WRITTEN STANDARDS AND PROCEDURES

The following policies and procedures were reviewed and/or revised during the quarter:

Reviewed:

- None.

Revised:

- Patient Confidentiality, and
- Charity Care and Uninsured Discounts.

II. COMPLIANCE OFFICER

The Compliance Officer attended the following meetings during the quarter:

- Florida Compliance and Privacy Consortium: One Session, and
- Compliance Officer's Roundtable: One Session

III. TRAINING AND EDUCATION

The following compliance training was provided during the quarter:

- New Employee Orientation: Eleven Sessions
- Leadership Essentials: One Sessions
- Compliance Working Committee: One Session

IV. OPEN LINES OF COMMUNICATION

A. Hotline Calls

During the quarter, 94 calls, of which 32 were callbacks, were placed to the System's Compliance Hotline covering 63 new topics and one old topic. Eight topics were compliance allegations (eight calls, 18 callbacks). Three topics were HIPAA Privacy allegations (three calls). Two topics were Patient Safety allegations (two calls). Two topics were Quality of Care/Service allegation (two call). All of the calls were investigated and one of the compliance allegations was substantiated.

Finally, eight topics were informational (seven calls, three callbacks), four topics were incomplete calls (four calls), and 36 new topics and one old topic (36 calls, 11 callbacks) were employee-management relations issues. The employee-management relations issues have been forwarded to the Employee Relations and Human Resources Departments.

V. ENFORCEMENT & DISCIPLINE

A. Sanctions Checks

Sanction checks were conducted of employees, physicians, vendors, volunteers, and students. There were no sanctions during the quarter.

B. Conflicts of Interest

The Calendar Year (CY) 2025 Conflicts of Interest Questionnaire cumulative employee completion rate is 35%, in which 6,140 of the 17,495 employees completed their questionnaire. There were 104 reports of possible or potential conflict of interest that were researched.

Conflicts of Interest Calendar Year 2024 Survey Results

Background

The Memorial Healthcare System (MHS) "Standard Practice on Business Ethics and Conflicts of Interest" states, "No Memorial Healthcare System officer or management or physician employee

or any other employee who may be affected by a potential conflict of interest (as determined by Memorial Healthcare System shall have an ownership or financial interest in, or permit his spouse or minor children to have an ownership or financial interest, direct or indirect, in any outside concerns, unless an exception applies and he is willing and able to report the full facts concerning such relations to the Board immediately upon learning of such relations or upon request.” A conflict of interest occurs when an individual’s actions or activities on behalf of Memorial Healthcare System are influenced by the ability to obtain an improper gain or advantage or an adverse effect on the Healthcare System’s interest. An accounting is requested by circulating a questionnaire to all employees, who are required to disclose potential or possible conflicts of interest. Each employee has the calendar year to complete the Conflicts of Interest (COI) questionnaire. New hires are given 30 days from their start date to complete the COI questionnaire. All active employees receive regular email notifications to complete their questionnaire. The COI questionnaire consists of eight questions for the employees to disclose all perceived or potential conflicts of interest. The current questionnaire has two completion statuses: “Completed” indicates all eight questions have been answered; and “Not Started” indicates that the employee has not answered any questions or started but did not complete the questionnaire. The Compliance Office reviews and researches all disclosures and those determined to be a conflict are prepared for submission to the COI Subcommittee. The COI Subcommittee evaluates each conflict, assigns a risk level, and recommends a mitigation plan. The MHS Chief Executive Officer (CEO) and President reviews all disclosures and makes the final determination.

Observations

MHS had 17,425 employees at the end of calendar year 2024, which includes new hires, retirees, employees on leave, and those off-boarding. There were 17,160 employees who completed their COI questionnaire for a completion rate of 98.5%. There were 292 employees who disclosed a potential or possible conflict of interest, 53 disclosures were previously made and cleared by the previous CEO; 21 disclosures were submitted by employees who have since terminated, two were reported conflicts that have since been eliminated, and five employees indicated a conflict in error. Twenty-one disclosures were submitted by employees to request additional access for their educational programs which is not considered a conflict. The remaining 190 new disclosures were reviewed and researched by the Compliance Office. Eight employed physicians disclosed conflicts that had not been reviewed by the Physician Outside Activities Committee (POAC) as required by their employment contracts. Ten disclosures were evaluated by the COI Subcommittee and received low to medium risk ratings and recommendations to manage the conflicts. Finally, there were 265 employees who did not complete their COI questionnaire, 28 of which were new hires and 15 were on Family Medical Leave (FMLA) or Leave of Absence (LOA), leaving 222 employees who did not complete the CY 2024 Conflicts of Interest Questionnaire. The CEO and President of Memorial Healthcare System reviewed the summarization of 264 disclosures and his final determination is pending.

Recommendations

Additional training and education will be developed to increase participation as well as decrease responses made in error to questions.

VI. RISK ASSESSMENT, MONITORING & AUDITING

VII. RESPONSE & PREVENTION

A. Internal Audit Recurring Quarterly Reports

South Broward Hospital District Construction Projects

Twenty-eight payment vouchers for eleven construction projects were audited during the quarter, as shown on Exhibit A. One exception was found during this audit.

South Broward Hospital District Requests for Proposal and Competitive Quotes

Nine Requests for Proposal and 30 Competitive Quotes were audited during the quarter, as shown on Exhibit B. No irregularities were found during these audits.

Board and Government Relations Expenses

Board Expenses were audited during the quarter. The list of expenses audited for the quarter will be presented and discussed during the meeting.

Government Relations Expenses were audited during the quarter. The list of expenses audited for the quarter will be presented and discussed during the meeting.

Employee Travel Reimbursement Expense

Employee Travel Expenses were audited during the quarter. A summary of total reimbursement per cost center and a list of expenses audited for the quarter will be presented and discussed during the meeting.

B. Internal Audits

Internal Audit of Requirements for Request for Proposals at Memorial Healthcare System

Background

Competitive bidding is used to ensure fairness and impartiality in the procurement process. Memorial Healthcare System (MHS) uses competitive bidding to procure goods and services by inviting vendors to send their bid for consideration for products and services based on MHS' requirements. The competitive bidding process includes Request for Proposals (RFP), Request for Qualifications (RFQ), or Request for Information (RFI). This audit focused on RFPs. An RFP is a project announcement that describes the project and solicits bids from vendors and contractors to complete it. The purpose of this audit was to review the RFP process for MHS to determine if controls are in place to ensure compliance with the MHS Standard Practice.

We reviewed the MHS "Request for Proposal" Standard Practice. In addition, we reviewed the MHS Board of Commissioners' (Board) May 24, 2023, meeting minutes where the motion passed for *Increasing the Threshold for When the RFP Policies are Applicable for any Expenditure Amount from \$100,000 to \$300,000*. We reviewed the procurement and contracting procedures for sales and service agreements that met the requirement for RFPs. We reviewed the process for managing repeat RFPs and rebidding contracts. We reviewed and assessed the process for contracts that were exempted from the RFP process through competitive bid waivers. We judgmentally selected a total sample of 28 contracts and assessed those contracts for conformance to the MHS RFP policy requirements.

Observations

The RFP Standard Practice was last revised in May 2021 and does not reflect the annual spend of \$300,000. Two sole source contracts for nurse call system and physical therapy services lacked support to justify the sole source exemption. One contract for supply chain consulting services did not have documentation to support the MHS Executive approval to select the consultant. We observed six contracts where the vendor has been providing products or services for more than 10

years and the standard practice does not address a timeframe for how many times contracts can be renewed before rebidding.

Recommendations

We recommended Supply Chain Management (SCM) continue to work on revising the RFP Standard Practice. We recommended SCM establish standardized documentation of sole source vendors to include market research analysis and approval of the competitive bid exemption. We recommended that SCM maintain documentation to support the selection of all vendors and consultants for contracted services. We recommended SCM continue to review contracts near the end of term to determine the value and feasibility of rebidding the products of services.

Saul Kredi, Vice President Chief Supply Chain Officer, agreed with our findings and recommendations and has provided an action plan.

Internal Audit of Facilities Management at Memorial Healthcare System

Background

The Facilities Management Department (Facilities) at Memorial Healthcare System (MHS) oversees and manages a comprehensive range of functions critical to the operation and safety of the healthcare facilities. These include building infrastructure maintenance, encompassing both preventive and corrective maintenance, Heating, Ventilation, and Air Conditioning (HVAC), plumbing, electrical systems, and elevators. It also handles disaster preparedness, business continuity, emergency power systems, and patient/visitor comfort.

Facilities must comply with the Standard Practice of Construction Services (Standard Practice of Construction) which establishes the internal process and forms for projects costing less than the construction purchasing limits of \$300,000 to construct or improve any building, or \$75,000 for electrical work. The Facilities Management Requisition, Work Orders, Project Matrix (Facilities Matrix) which outlines the number of quotations (quotes) required for various dollar value levels of either supplies or parts to be installed by facilities and work orders, repairs, installations, and Facilities or Construction-managed projects, ensures that the procurement process is competitive. Finally, the Standard Practice of Requisition of Supplies and Services (revised September 2013) states, "Purchase Orders (POs) are the preferred method for obtaining goods and services for Memorial Healthcare System."

Observations

We reviewed the purchasing processes for the Facilities departments at each hospital from January 1, 2024, through September 30, 2024, reviewed evidence that job bids and payments for work performed were properly authorized, and the invoices were correctly and accurately paid to the vendors in accordance with the Signature Authority Level matrix controls in the MHS Enterprise Resource Planning (ERP) Workday system. There was no evidence of inappropriate purchases or unauthorized payments for the sample transactions evaluated.

We were informed by the Facilities directors that they follow the most current 2024 version of the Facilities Matrix. However, the majority were unaware and did not follow the Standard Practice of Construction which outlines, in part, the role of the Facilities Department. We observed inconsistencies between the Facilities Matrix and the Construction Standard Practice which was last updated in 2019. These inconsistencies suggest that the Facilities Department is not fully adhering to the established governance and procedural guidelines. We also observed opportunities to improve documentation on vendor selection. The Standard Practice of Construction requires

vendor rotation for construction services below \$2,000, however the Facilities Matrix does not specify that vendor rotation is needed or required. POs issued, where only one quote was required, could lead to the indefinite use of the same vendor, as there are no established time or dollar value limits on the work that can be awarded to a single vendor. Three of the eight invoices processed as non-POs had PO numbers that were not referenced on vendor invoices and were approved for payment as non-POs. The POs could also be submitted at a later date on a different invoice for payment which could lead to duplicate payments.

Recommendations

We recommended that the Facilities Directors work with the Construction Services department to update the Standard Practice of Construction to align with the Facilities Matrix and acceptable practices. We recommended that a policy and procedure is drafted specifically for Facilities Management department to address vendor selection, documentation of preferred vendors and vendors with exclusive products and services, Facilities Matrix, POs requirements and exceptions, vendor selection documentation in Workday, and vendor rotation. We recommended that the Facilities Management team collaborate with Supply Chain Management (SCM) and Accounts Payable (AP) to ensure that PO invoices are not paid as non-POs, to ensure that the open PO management control in place is effective.

David Smith, Executive Vice President and Chief Financial Officer, MHS agreed with the findings and recommendations of this audit and has provided an action plan.

Internal Audit of Artificial Intelligence Governance at Memorial Healthcare System

Background

Technological advancements have steadily increased the availability and scope of Artificial Intelligence (AI). AI is a wide-ranging tool that enables people to rethink how we integrate information, analyze data, and use the resulting insights to improve decision making. Clinical AI is an emerging field at the intersection of patient care and AI, and it is trying to harness the application of advanced algorithms and machine learning techniques with the aim of unveiling insights. Clinical AI aims to enhance medical decision-making, optimize treatment plans, and enable personalized medicine to empower clinicians to improve patient outcomes. AI utilities are becoming more and more ubiquitous in the regulated work community (in the form of defined and controlled applications) and ad-hoc work environment (any number of AI platforms available via the public internet, i.e., Chatbots, such as ChatGPT and Grammarly). The purpose of this audit was to evaluate the organization's AI application inventory, leadership's risk tolerance for AI, and the influence of best practice and norms established by AI system owners, organizations, industries, legal or regulatory requirements.

Observations

The Cloud Access Security Broker (CASB) utility inventoried 3,680 web-based applications accessed by Memorial Healthcare System (MHS) users while logged into the MHS network. CASB assigns a risk rating between Level 2 (i.e., ChatGPT) and Level 7 (i.e., RapidTables), with Level 2 being the lowest risk and Level 7 being the highest risk. ChatGPT is free for personal use, but the premium version is intended for Teams and Enterprise use. ChatGPT Teams version is priced at \$30 per user per month, which could potentially cost MHS \$272,520 per year for the 757 MHS employees who were using the free personal version during our observation period. During our research of the Level 7 AI application, RapidTables, we were contacted by MHS Cyber Security telling us our PC was broadcasting malicious software across the MHS network. A scan was

conducted by MHS Cyber Security, and they immediately detected and removed the malware causing the issue. We found there were 48 known applications with AI components already installed on the MHS network and another 10 slated to be on-boarded at MHS, pending budget and legal approval. There were 15 AI applications installed that were requested by MHS staff for various use-cases (such as AI Retinal Screening, RadAI, TalkDesk, etc.); six modules in Epic that leverage AI (such as Note Summarization, Generative AI SlicerDicer Qx, Generated Dashboard Summary, etc.); nine instances of predictive modeling (such as ICU Readmission Risk, Risk of Readmission, ED likelihood to occupy bed, etc.); and 18 other instances of AI for other use-cases. We found no specific policies or procedures that provides AI Governance. The MHS *Enterprise Acceptable Use Policy* Standard Practice covers some aspects such as the user's responsibility for the data that they access, use and store, however, AI is not specifically discussed.

Recommendations

We recommended a policy that provides guidance for governing, mapping, measuring, and managing AI risks at MHS. We also recommended an AI best practices document be developed and established to provide guidance on AI acceptable uses within the healthcare system while a policy is being developed.

Jeffrey Sturman, Senior Vice President and Chief Digital Officer agreed with our findings and recommendations. An action plan to address these findings has been provided.

C. Compliance Audits

Compliance Audit of the 340B Program at Memorial Healthcare System - FY 2025 Third Quarter

Background

The 340B Program is administered and overseen by the Health Resources and Services Administration (HRSA). The 340B Drug Pricing Program requires drug manufacturers to provide outpatient drugs to eligible healthcare organizations/covered entities at significantly reduced prices. To participate, eligible organizations must register and be enrolled with the 340B Program and maintain an up-to-date 340B database, recertify eligibility yearly, and prevent duplicate discounts by having mechanisms in place to prevent receiving a 340B price and a Medicaid drug rebate for the same drug. Any covered entity that fails to comply with the program requirements may be liable to manufacturers for refunds of the discounts obtained. To be eligible for the 340B Program, patients must have an eligible medication order or prescription and receive health care services other than drugs from the covered entity, such as treatment in a hospital-based mixed-use area, a location serving patient type of both inpatient and outpatient and classified as an outpatient in the electronic health record (EHR) at the time of medication administration.

Memorial Healthcare System (MHS) participates in the 340B Program for Memorial Regional Hospital (MRH) which includes Memorial Regional Hospital South (MRHS) and Joe DiMaggio Children's Hospital (JDCH); Memorial Hospital Pembroke (MHP); Memorial Hospital West (MHW); and Memorial Hospital Miramar (MHM). In order to manage the 340B Program, MHS uses split-billing software from Verity Solutions Group (Verity) to determine what each pharmacy needs to purchase at the 340B price. Replenishment is accumulated each time a drug is administered as outpatient and meets all the program requirements. As the previous audits had findings related to the Automated Dispensing Cabinet (ADC), our medication dispensing system, overrides and eligibility of medication orders, this parameter was included in the 340B audits.

Observations

Of the 300 pharmacy claims reviewed, there were four claims with ADC medication overrides for which we were unable to find the provider's order in Epic. An ADC override occurs when a clinician pulls medication from the ADC without the pharmacy verifying the order or during emergent situations when the provider gave a verbal order. Pharmacy management monitors ADC overrides and links them with the provider order within 48 hours. All four claims were noted to have documentation that the drug was given in the medication administration record (MAR). The 340B management assisted to locate the order in Epic. Three of the four pharmacy claims had a telephone order written on the supplemental order form after the date of discharge. Two of the three were back dated to the date of service (DOS) and had physician signatures, and one used the current date with a note indicating it was a late order entry for a past date of service. All three claims deviated from the MHS Nursing/Pharmacy Policy "Provider Orders/Telephone/Verbal/Fax/Transcription Implementation" that requires all phone and/or verbal orders be signed by the ordering provider within 30 days after discharge. We verified that one of the three claims included a controlled substance that documentation supported the drug's removal from the ADC and promptly administered to the patient. Hence, there was no diversion. The fourth pharmacy claim's medication order was not found in Epic. These made all four claims 340B ineligible. The error rate is 1.3%, resulting with an overpayment of \$1,727. Subsequently, Accounts Receivable Management (ARM) reviewed the identified 340B ineligible claims, corrected and reversed the charges.

Recommendations

We recommended the 340B management continue to monitor and include the ADC overrides in the oversight for the 340B Program. We recommended pharmacy management from MRHS and MHW continue to monitor and ensure that ADC overrides are linked to a provider order in Epic. We recommended nursing leadership from MRHS and MHW reeducate the staff on verbal/telephone orders as per MHS policy. We recommended nursing leadership from MRHS and MHW to develop, implement, and monitor a process/workflow to ensure that the MHS "Medication Overrides" policy is followed.

Dorinda Segovia, Vice President & Chief Pharmacy Officer, MHS, Tina Hodges, Vice President, Reimbursement and Revenue Integrity, MHS, Joseph Stuczynski, Chief Executive Officer (CEO), MHW, Katherine Wong, Chief Financial Officer (CFO), MHW, Philoron Wright, CEO, MRHS and David Webb, CFO, MRHS agreed with the findings and recommendations and have provided action plans.

Compliance Audit of Documentation and Billing of Screening Colonoscopy at MRH

Background

Colorectal cancer (CRC) is a type of a disease that develops in the colon and/or the rectum in which abnormal cells divide uncontrollably, ultimately forming a malignant tumor. CRC screening test refers to any procedure including screening colonoscopy, furnished to an asymptomatic individual for the purpose of early detection of CRC.

Medicare pays for screening colonoscopy once every 24 months for individuals at high risk for CRC and for individuals that are non-high risk, once every 120 months or 48 months after a previous flexible sigmoidoscopy. Medicare has no minimum age limitation for screening colonoscopy for both the high-risk and non-risk CRC population. If a lesion or growth is detected during a screening colonoscopy that results in a biopsy or removal of the lesion or growth, payment under this part shall not be made for the screening colonoscopy but shall be made for the procedure

classified as a colonoscopy with biopsy or removal.

Medicare uses Healthcare Common Procedure Coding System (HCPCS) Code G0105 for Screening: colonoscopy on individuals at high-risk for CRC, and G0121 for Screening colonoscopy for non-high-risk individuals. For commercial payors and Medicaid, Current Procedural Terminology (CPT) code 45378, Colonoscopy, flexible; diagnostic, including collection of specimen(s) is used to report for screening colonoscopy or as based on the commercial payor guidelines. There are no deductible or coinsurance for CRC screening services. However, when biopsy or removal of the lesion/growth is done, Medicare beneficiaries are responsible for 15% of the cost, starting January 1, 2023, through December 31, 2026. The claim should report for the appropriate procedure based on the surgical technique and instrument used for the removal of the growth/lesion.

Memorial Healthcare System (MHS) Compliance and Internal Audit Department performed an audit of the Memorial Regional Hospital (MRH) Endoscopy Department in response to a hotline call allegation of improper billing at MRH for screening colonoscopy. The purpose of this audit was to determine if documentation supports medical necessity and determine the compliance and accuracy of coding, charging and billing screening colonoscopy procedures at MRH.

Observations

All 30 accounts reviewed have complete documentation supporting medical necessity and the procedure performed. All four Medicare accounts were coded, billed and paid appropriately. Out of the 26 commercial payor accounts, we noted four were initially not paid related to the commercial payors' preferred CPT code and modifier to report screening colonoscopy. Concurrent to the audit, Health Information Management (HIM) reviewed the claims and made the appropriate corrections as per the standard process. These accounts were paid appropriately. Based on the audit findings, the hotline allegation of improper billing for the screening colonoscopy was not substantiated. Medicare beneficiaries have a 15% co-insurance as per the Medicare guidelines, and as per the health plan policy for the commercial accounts when a lesion/growth is removed for biopsy during the screening procedure.

Recommendations

None.

Aurelio Fernandez, Interim Chief Executive Officer, MRH and Walter Bussell, Chief Financial Officer, MRH have been notified of the results of this audit. There were no findings or recommendations, therefore an action plan was not required.

Compliance Audit of Documentation and Billing of Medicare Severity Diagnosis Related Group (MS-DRG) 207 and MS-DRG 208 at MRH

Background

Mechanical ventilation (MV) is the use of a mechanical device such as a ventilator or respirator to take over the active breathing for a patient who is unable to breathe on their own. Through the inpatient prospective payment system (IPPS), the Centers for Medicare & Medicaid Services (CMS) pays for inpatient claims when Medicare beneficiaries receive MV. MS-DRG 207 Respiratory System Diagnosis with Ventilatory Support greater than 96 hours is assigned to Medicare beneficiaries who have received more than 96 consecutive hours of MV. MS-DRG 208 Respiratory System Diagnosis with Ventilatory Support less than or equal to 96 hours is assigned to Medicare beneficiaries who received less than or equal to 96 hours of MV. The use of procedure

code 5A1955Z indicates that an enrollee has received more than 96 consecutive hours of MV. If an enrollee did not receive more than 96 consecutive hours, procedure code 5A1945Z, Respiratory Ventilation between 24-96 consecutive hours or 5A1935Z Respiratory Ventilation, less than 24 consecutive hours is used. In a recent Office of Inspector General (OIG) audit on August 2024, OIG found that Medicare payments for inpatient hospital claims with MS-DRG 207 that required more than 96 consecutive hours of MV did not fully comply with Medicare requirements and resulted in overpayments. Memorial Healthcare System (MHS) Compliance and Internal Audit Department chose to perform an audit of the MS-DRG 207 and MS-DRG 208 at Memorial Regional Hospital (MRH) given the volume and acuity of inpatient discharges. The purpose of this audit was to determine if MS-DRG 207 Respiratory System Diagnosis with Ventilatory Support >96 hours or MS-DRG 208 Respiratory System Diagnosis with Ventilatory Support ≤96 hours, complied with Medicare requirements and is supported by medical record documentation and determine the accuracy of coding, charging and billing at MRH.

Observations

All 30 accounts reviewed had provider orders and documentation which supported the principal diagnosis of respiratory failure or condition supporting medical necessity for the procedure of MV. All 30 accounts had the appropriate principal diagnosis codes that were supported by medical record documentation. Twenty-nine out of 30 accounts were assigned the appropriate MS-DRG. One account was incorrectly coded with MS-DRG 208 when it should have been MS-DRG 207 because the amount of time the patient was on MV was more than 96 hours. This account had the incorrect procedure code 5A1945Z instead of 5A1955Z which resulted in the incorrect MS-DRG reported. Subsequently, Health Information Management (HIM) corrected the coding error and Accounts Receivable Management (ARM) rebilled the account. The rest of the accounts were paid appropriately pending correction in reimbursement for the account with coding error. The error rate is 3.33% resulting in an approximate underpayment amount of \$1,226.03.

Recommendations

We recommended that HIM continue to provide education to coding staff on respiratory failure and calculating MV hours by including MS-DRG 207 and 208 routinely in their regular audits for coding.

Aurelio Fernandez, Interim Chief Executive Officer, and Walter Bussell, Chief Financial Officer, agreed with the finding and recommendation of this audit and have provided an action plan.

Compliance Audit of Documentation and Billing of Controlled Substance in the Hematology Oncology Inpatient Department at MRH

Background

Controlled substances are medications that have the potential for abuse or dependence. Federal regulations require detailed documentation of the disposition of all controlled substances which includes the documentation of the persons' names who are administering to the patient, wasting and witnessing the wastage. Memorial Healthcare System (MHS) uses an automated dispensing cabinet (ADC), an advanced point-of-use system that automates the distribution, management, and control of medications, including controlled substances. All medications ordered by providers are available through ADC with a pharmacy link to each patient's medication profile after pharmacist review. All medications including controlled substances and multiple other medications are removed from the ADC, which keeps a record of the user, and the amount of each drug removed. According to the MHS "Controlled Substances Waste" policy, controlled substances should be

wasted in a timely fashion with a witness. It is preferred that wasting occurs prior to drug administration for safety purposes. However, if not feasible to waste immediately upon withdrawal and prior to administration, then waste shall occur immediately after administration. The personnel authorized to witness the waste shall visually verify and document the amount of drug wasted. The total amount of a controlled substance that is removed from ADC must equal the dose given to the patient and the amount wasted.

Patients admitted to the Hematology Oncology Department at Memorial Regional Hospital (MRH) often require the use of multiple controlled substances for pain management. There are designated ADC machines where Registered nurses (RN) withdraw controlled substances and record the unused portion as waste. There must be an appropriate physician order to accompany all administration of medications. Unreconciled controlled substances report is performed daily by the department management to ensure any controlled substance discrepancies such as undocumented waste are resolved appropriately. Also, a complete controlled substance inventory is completed by two RN's weekly. Waste discrepancies unable to be resolved by end of shift are, investigated according to "Controlled Substances – Discrepancies, Reporting and Resolution" policy. The purpose of this audit was to determine if documentation supports medical necessity and compliance with Federal Guidelines and MHS Policies and Procedures of Controlled Substances; and to determine the accuracy of charging in the Hematology Oncology Inpatient Department at MRH.

Observations

We selected 30 patient accounts with 331 ADC transactions of controlled substances were reviewed. There were appropriate provider orders for all controlled substances documented as administered. We noted two accounts with two discrepancies of documentation for medications administration and waste. In one account, documentation on the medication administration record (MAR) indicated the total dose removed from ADC was administered but the ADC transaction of waste was documented for same medication. Also, the pharmacy actions section of the MAR indicates medication was returned. For one account, medication was administered more than one hour after it was removed from ADC which deviated from the Nursing/Pharmacy Departmental Policies "Medication Administration - Policy Statement" and "Scheduling Medications Administration" resulting in less than 1% error rate. We noted two accounts with two transactions had an opportunity for improvement in supporting documentation for medications removed and wasted. One account had one ADC transaction with removal and waste of the total dose. However, there is no supporting documentation on the MAR for the reason the dose was not administered. One account had two separate ADC transaction of same medication within two hours of each other. The first total dose removed was appropriately wasted in ADC but there is no indication on the MAR why the dose was not administered. The second dose removed was documented as administered according to the physician order, with the remaining dose appropriately documented in ADC as wasted. The remaining 317 transactions were appropriately documented on the MAR as given and the returned, cancelled, or wasted transactions were noted on the ADC transactions. All medications including controlled substances are charged when ordered dose is scanned and administration is documented on MAR.

Recommendations

We recommended reeducating the Registered Nurses on the "Medication Administration - Policy Statement" and "Scheduling Medications Administration" and the "Medication Administration - Policy Statement". We recommend reeducating Registered Nurses to include supporting documentation on the MAR for the reason the total dose removed was wasted.

Aurelio Fernandez, Interim Chief Executive Officer, MRH and Walter Bussell, Chief Financial Officer, MRH agreed with the findings and recommendations of this audit and have provided an action plan.

Compliance Audit of Memorial Cancer Institute Hematology Oncology Procedures for Memorial Physician Group Professional Coding and Billing

Background

MCI offers world-class care in the community with a team of highly trained hematology and oncology (Hem/Onc) specialists who deliver diagnoses and integrated treatments. Centers for Medicare and Medicaid Services (CMS) requires reasonable documentation of medical and surgical services provided by the healthcare providers in all settings. The documentation validates medical necessity, place of service, and correct reporting of the services billed to the insurances for reimbursement. The physicians and the Advanced Practice Registered Nurses (APRNs) report health care services using code sets to identify medical procedures and professional services on the health care billing claims. The International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10–CM) diagnosis codes are used to indicate the reason for care. The Current Procedural Terminology (CPT) codes are used to report services and procedures. Modifiers are appended to the CPT codes to report services that are altered under certain circumstances. CMS's Center for Program Integrity manages the Open Payments Program, a federally mandated program to increase the transparency of financial relationships between the drug and medical device companies and the healthcare providers. The Physician Payments Sunshine Act (Sunshine Act), part of the Affordable Care Act (ACA) of 2010, is a federally mandated disclosure program that requires manufacturers and distributors of medical devices and drugs to report payments to physicians, nurse practitioners, APRNs, and teaching hospitals. These payments are publicly accessible through the Open Payments Program.

Observations

We reviewed the MCI Hem/Onc screening and diagnosis documentation for laboratory (labs), and chemotherapy administration. Of the 15 labs for complete blood count (CBC) with differential (Diff), we noted there was a signed order for each CBC, with medical necessity reported with ICD10-CM codes, the frequency of lab tests, and an order expiry date. Seven accounts had expiration dates for greater than one year. This is an opportunity for improvement as Medicare Administrative Contractors (MACs) other than First Coast Service Options (FCSO), our MAC, require laboratory standing orders to be renewed on or about 12 months from the order date. Subsequently, we provided Oncology Administration the other MACs' requirements to renew orders at least annually. The documentation for all 15 accounts for the labs met the billing requirements. One account for chemotherapy administration was reported with the correct CPT code and required a place of service correction when billing for the services which was completed.

We collected and analyzed the CMS Open Payments data for each of the physicians and for the APRN in this audit and there were no significant findings.

Recommendations

None.

Patrick Brillantes, Senior Vice President of Service Lines, MHS and Esther Surujon, Chief Financial Officer, MPG agreed with the audit results and since there were no findings or recommendations in this audit, an action plan was not required.

Compliance Audit of Memorial Physician Group Urology Department Evaluation and

Management Services and Procedures Professional Coding and Billing

Background

The Memorial Physician Group (MPG) Urology Department consists of a team of providers who offers comprehensive treatments for complex Urology related conditions. Physician services are the professional services that include diagnosis, therapy, surgery, consultation, and care plan oversight. A medically reasonable and necessary evaluation and management (E/M) visit documents the patient's medical needs and medical decisions on the appropriate measures of care for specific clinical circumstances. Billing for an E/M service requires Current Procedural Terminology (CPT) codes that best represents a patient type, place of service, and level of E/M service performed. Place of service can be the physician's office or other outpatient facility, hospital inpatient, Emergency Department (ED) and telemedicine. Modifiers are appended on a claim for additional information. Advanced Practice Registered Nurses (APRNs) can report services independently, or under the incident-to guidelines, or shared/split visit guidelines. A visit provided by a teaching physician with a resident physician aiding in patient care is billed using an appropriate modifier. Physician and teaching physician E/M services can be provided through telehealth that are billed with codes that the telecommunications used was either audio-video or audio only and an appropriate modifier. The Physician Payments Sunshine Act (Sunshine Act), part of the Affordable Care Act (ACA) of 2010, is a federally mandated disclosure program that requires manufacturers and distributors of medical devices and drugs to report payments to physicians, nurse practitioners, APRNs, and teaching hospitals. These payments are publicly accessible through the Open Payments Program.

Observations

We reviewed 86 accounts: 10 E/M and 10 procedures for each of the four physicians and three E/M and three procedures for one APRN. Of the 43 E/M accounts reviewed, one telehealth service account did not meet the CMS telehealth coding and billing requirement for place of service due to copy and pasting. The account was overpaid by \$59.25, and the MPG Business office will issue a refund. The error rate was 1%. Of the 43 procedures reviewed, we agreed with the documentation and coding of 42 accounts. One procedure was missing an additional CPT code that provided additional information and did not affect reimbursement. Modifiers were applied appropriately to 84 of 86 accounts and in the remaining accounts, reimbursement was not affected because the modifiers were informational. There were 76 accounts that the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) codes were appropriate for the documented medical necessity. In the remaining accounts, we noted that the medical diagnosis documentation supported additional or different ICD-10-CM codes, this did not affect reimbursement. One account was denied for a payer processing error. This account was appealed and is pending payment. We collected and analyzed the CMS Open Payments data for each of the physicians and for the APRN in this audit and there were no findings.

Recommendations

We recommended that MPG Business Office correct and rebill or refund accounts as appropriate. We recommended that Auditor of Coding and Compliance, and the Administrative Director of Urology conduct a reeducation session for the providers on documentation guidelines, requirements for telehealth documentation and coding, and the copy and paste policy.

Mario Salceda-Cruz, Chief Operating Officer, MPG and Esther Surujon, Chief Financial Officer, MPG agreed with the findings and recommendations and have provided a detailed action plan.

Compliance Audit of Orthopedic Surgery Evaluation and Management Services for MPG Professional Coding and Billing

Background

Memorial Healthcare System (MHS) has a highly trained team of orthopedic surgeons who offers treatments for bone, joint, and muscle care. Physician services include diagnosis, therapy, surgery, consultation, and care plan oversight. A medically reasonable and necessary evaluation and management (E/M) visit includes documentation of the patient's medical needs and medical decisions on the appropriate measures of care for specific clinical circumstances. Billing for an E/M service requires the selection of a Current Procedural Terminology (CPT) code that best represents a patient type, place of service, and level of E/M service performed. Place of service can be the physician's office or other outpatient facility, hospital inpatient, or telehealth. Billing also requires selection of the International Classification of Diseases Tenth Revision, Clinical Modification (ICD-10-CM) codes to report medical diagnoses. Advanced Practice Registered Nurses (APRNs) can report services independently or as a shared/split visit in an institutional setting when services are performed in part by a physician. A visit provided by a teaching physician with a resident physician aiding in patient care is billed using an appropriate modifier. Physician and teaching physician E/M services can be provided through telehealth. Telehealth billing codes indicate that either audio-video or audio only was used and appended using a modifier. The purpose of this audit was to determine whether documentation and coding complied with the Medicare requirements when billing for orthopedic surgery E/M services.

Observations

We reviewed 132 E/M services accounts of for 16 physicians and six APRNs. Some of the findings may overlap. Of the 132 accounts reviewed, we noted that for 119 accounts the CPT codes were appropriate for the E/M services documented. In the remaining thirteen accounts, three accounts were coded at two more E/M service levels higher than the supported documentation, seven accounts had documentation that supported a different CPT code, and three accounts had documentation that was insufficient to support billing for the services. This resulted in an 10% error rate for the E/M with an estimated overpayment amount of \$645.72 and underpayment amount of \$279.33. There were 33 accounts that appropriately reported the modifiers and reimbursement in the remaining 10 accounts was not affected since the modifiers were informational. There were 54 of the E/M accounts that had additional CPT codes reported for procedures, such as X-rays and other services. We noted four accounts did not have documentation to support reporting the CPT and one account had insufficient documentation to support reporting the CPT. Fifty-eight accounts had ICD-10-CM codes that were supported by documented medical necessity. In the remaining accounts, we noted that medical record documentation supported additional or different ICD-10-CM codes. However, reimbursement was not affected. Of the 132 accounts, five were denied payment due to payor guidelines, two of which were billed to a program payor. The accounts were appealed and expected to be paid.

Recommendations

We recommended that Memorial Physician Group (MPG) Business Office correct and rebill or refund accounts as appropriate. We recommended that the MPG Business Office reeducate providers on medical record documentation, coding, and billing to support medical necessity and services billed.

Mario Salceda-Cruz, Chief Operating Officer, MPG and Esther Surujon, Chief Financial Officer, MPG agreed with the findings and recommendations and have provided an action plan.

Follow Up Compliance Audit of Documentation and Billing of the Diabetes Self-Management Education and Support Services Program in the Diabetes and Nutrition Center at MRH

Background

The outpatient Diabetes Self-Management Training (DSMT) is a full range of educational and training services offered to people diagnosed with diabetes for the successful self-management of the chronic disease and related conditions. Medicare covers an initial 10 hours and a yearly follow-up of two hours of DSMT when provided by a Centers for Medicare and Medicaid Services accredited entity. Nine hours must be furnished in a group setting and one hour of individual DSMT to evaluate training needs. Individualized initial DSMT is covered only if there are no group sessions available within two months of the DSMT order or the referring provider documented the need for individual training on the order/referral and in the medical record. The initial and follow-up training must be furnished in increments of 30 minutes which is one unit. Rounding of time furnished is not allowed and any unused hours of the initial training or follow-up training that is not completed within the required time is not reimbursed. The order/referral must include the number of initial hours ordered; the topics to be covered; and a determination that the patient should receive individual or group training. The treating provider managing the patient's diabetic condition certifies that such services are needed and maintains a comprehensive plan of care. For the follow-up training, the provider must document on the referral and in the medical record that the beneficiary has been diagnosed with diabetes and the training to be addressed.

A compliance audit of the Diabetes Self-Management Education and Support (DSMES) Program at Memorial Regional Hospital (MRH) completed in August 2023 reviewed thirty accounts with 85 dates of service, of which twenty-eight accounts with 81 dates of service did not include all of the required order components and the documentation of education or training provided did not meet Medicare requirements resulting in a 95% error rate. The purpose of this follow-up audit was to determine if the action plan recommendations to review and reeducate staff on the Medicare requirements for providing, billing, and charging DSMT time, to review and update the order/referral template in Epic to include all Medicare's required components, to ensure orders/referrals from non-MHS providers include all Medicare required components, and to verify the effectiveness of the corrective actions.

Observations

The DSMES management reeducated staff on the Medicare requirements. The order/referral template in Epic was updated to meet Medicare requirements. There is a process to ensure that orders/referrals from non-MHS providers meet Medicare requirements. We reviewed 15 patient accounts with 30 dates of service and all had a provider orders/referral and met medical necessity. Ten of 15 orders/referrals had all components required by Medicare, 25 dates of service had the individual and/or group DSMT required documentation. Start and stop time were consistently documented in 30-minute increments on the visit summary note. Twenty-four of 25 dates of service were coded, charged and billed as per documentation and Medicare requirements. One date of service was coded accurately but charges were not posted by department staff. Accounts Receivable Management (ARM) billed this date of service. The remaining five dates of service were for patients admitted under observation status with orders for inpatient diabetes education consult, which met medical necessity but not for outpatient DSMT. Subsequent to this finding, corrective action was implemented by ARM and department management to add an edit in Epic to hold charges posted by the DSMES department to enable the ARM department to append modifier GZ to indicate the item is expected to be denied for observation status patients. ARM reviews and

appends the modifier. DSMES staff will continue to enter the charges to account for the time spent with patients. ARM rebilled or refunded the identified five dates of service, and all Medicare and Medicare Advantage observation accounts are currently being rebilled or refunded with corrected claims retrospectively to the previous audit calendar year as appropriate.

Recommendations

None.

Aurelio Fernandez, Interim Chief Executive Officer, MRH and Walter Bussell Chief Financial Officer, MRH, agreed with the audit findings. There were no recommendations, therefore an action plan was not required.

Follow Up Compliance Audit of the Important Message From Medicare (IM) Notice at MHP

Background

Hospitals and Critical Access Hospitals (CAHs) must deliver a written notice, the IM from Medicare to all Medicare and Medicare Advantage (MA) beneficiaries receiving inpatient hospital services, to inform them that they have a statutory right to appeal to a Beneficiary and Family Centered Care Quality Improvement Organization (BFCC-QIO) for an expedited review when a hospital, with physician concurrence, determines that inpatient care is no longer necessary. The initial IM must be delivered within two calendar days of the admission date or no more than seven days before the admission date if the patient is seen for a preadmission visit. A follow-up IM must be delivered within two days of the planned date of discharge and no later than four hours prior to discharge. If the initial IM is within two calendar days of the date of discharge, no follow-up notice is required.

The standardized written IM and verbal explanation must be provided to the beneficiary or the representative. The beneficiary or representative must sign and date the IM. However, beneficiaries are still entitled to an expedited determination if they refuse to sign the IM. The staff member who presented the IM must annotate the notice with the date of refusal. The IM must be delivered telephonically to a representative who is not physically present, and the "Additional Information" section must be annotated with the staff member's name who initiated the contact, the representative's name, date, time, and telephone number. A hard copy of the IM must be mailed to the representative on the day telephone contact is made and the original IM notice must be added to the patient's medical record. Failure to provide the IM to applicable beneficiaries is considered a violation of the conditions of participation (COPs) and could result in termination of the hospital's Medicare provider agreement.

Observations

At Memorial Hospital Pembroke (MHP), the Patient Financial Services (PFS) Department staff provides the initial IM, and the Case Management (CM) Department provides the follow-up IM to beneficiaries. From the previous IM audit completed in September 2023, 13 of 30 accounts reviewed did not comply with the Medicare requirements for providing the initial IM and 23 of 30 accounts did not comply with the Medicare requirements for providing the follow-up IM, resulting in error rates of 43% and 77% respectively. The purpose of this follow-up audit was to determine if MHP implemented the action plan recommendations to provide and complete the initial and follow-up IM notices, reeducate staff on delivering the initial and the follow-up IM notices in a timely manner, conduct prospective reviews to ensure compliance with Medicare requirements, and verify the effectiveness of the corrective actions.

All 15 accounts reviewed had inpatient orders documented by the provider and received inpatient

services exceeding 10 days. Two accounts did not have the initial IM in the medical records resulting in a 13% error rate. Additionally, one account delivered the IM after two calendar days from the admission date and the second account did not have the required “Additional Information” section annotated when patient refused to sign the notice. The remaining 11 accounts delivered the initial IM within the set guidelines. Twelve of 15 accounts had discharge orders documented, and three accounts had documentation that the patients expired prior to discharge. Three accounts of the 12 were provided the follow-up IM telephonically and documentation was kept in departmental records but not in the medical records resulting in a 25% error rate. Additionally, for two accounts the follow-up IMs were provided more than two days of the planned discharge date. The remaining seven accounts had the follow-up IM delivered within the set guidelines.

Recommendations

We recommended the PFS and CM management continue the ongoing staff reeducation on the Medicare requirements, timeframes, required documentation, and maintaining the IM notices in the patient’s medical records. We recommended continuing regular prospective reviews to ensure compliance with the Medicare requirements.

Felicia Turnley, Chief Executive Officer, MHP and Patrick Connor, Chief Financial Officer, MHP agreed with the findings of this audit and have provided the attached action plan.

D. Services Provided by Protiviti

A list of Services Provided by Protiviti for the quarter will be discussed during the meeting.

E. Other Reports

Investor Log

The Investor Contact Log for the quarter is attached for your review. See Exhibit C.

Non-Audit Engagements

A list of RSM and Zomma Group Non-Audit Engagements for the quarter is attached for your review. See Exhibit D.

Compliance Environment

A discussion of Nationwide Audit and Investigation Activities for the quarter will be held during the meeting.

| | PO#6007559 Interventional Radiology Turner Construction Co. #401622 MHS | PO#6007465 Urgent Care Center Miami Gardens Gerrits Construction Inc. #650322 MHS | PO#6007489 Central Sterile Processing Thornton Construction Co. Inc. #430122 MHW | PO#10049832 MOB II Third Floor Sports Medicine Thornton Construction Co. Inc. #PRJ00148 MHM | Family Birthplace PO#6007570 Turner Constuction Co., Inc. #400622 MRH |
|-------------------------------|---|--|---|--|---|
| | Amount | Amount | Amount | Amount | Amount |
| Original Contract Sum | \$ 1,826,577 | \$ 1,929,942 | \$ 1,620,971 | \$ 2,321,339 | \$ 43,850,159 |
| Prior Change Orders | | | | | |
| Current Change Orders | | | | | |
| Prior Owner Purchase Orders | (401,108) | (179,731) | (261,732) | | (7,196,957) |
| Current Owner Purchase Orders | 205,923 | 2,027 | 83,952 | | |
| Current Contract Sum to Date | \$ 1,631,392 | \$ 1,752,237 | \$ 1,443,191 | \$ 2,321,339 | \$ 36,653,202 |
| Previous Payments | 1,538,316 | 1,752,237 | 1,232,224 | 874,734 | 25,553,587 |
| Total Payments | | | 6 157,757 | 3 869,821 | 20 832,222 |
| Balance | | | 7 53,210 | | 21 792,945 |
| Owner Purchased Materials | | | | | 22 1,165,342 |
| Retainage | | | | | 23 1,552,687 |
| Payments | 1,538,316 | 1,752,237 | 1,443,191 | 1,744,554 | 29,896,783 |
| Work completed | \$ 93,076 | \$ 0 | \$ 0 | \$ 576,785 | \$ 6,756,419 |
| Status | | | | | |
| | 20,034 | | 31,524 | 72,173 | 1,724,483 |
| | 1,538,316 | 1,752,237 | 1,443,191 | 1,744,554 | 29,896,783 |
| | \$ 1,558,350 | \$ 1,752,237 | \$ 1,474,715 | \$ 1,816,727 | \$ 31,621,266 |
| | Active | Active | Active | Active | Active |

| | Command Center PO#6007669 LEE Construction Group, Inc. #PRJ-0012 MHS | MOB II Second Floor Pediatric Fit Out Thornton Construction Co. Inc. #800122 MHM | MOB Women Center PO#6006642 ANF Group, Inc. #450218 MHM | PO#6007171 Memorial Cancer Center Expansion DPR Construction #431019 MHW | PO#6007169 Hurricane Hardening Thornton Construction Co. #410121 MRHS |
|-------------------------------|--|--|---|---|---|
| | Amount | Amount | Amount | Amount | Amount |
| Original Contract Sum | \$ 1,021,046 | \$ 10,650,417 | \$ 35,067,236 | \$ 86,165,924 | \$ 13,613,113 |
| Prior Change Orders | | | (5,101,409) | (15,571,906) | |
| Current Change Orders | | | | | |
| Prior Owner Purchase Orders | | (2,482,914) | (750,000) | (494,336) | (1,891,946) |
| Current Owner Purchase Orders | | (688,233) | | 101,973 | |
| Current Contract Sum to Date | \$ 1,021,046 | \$ 7,479,269 | \$ 29,215,826 | \$ 70,201,655 | \$ 11,721,167 |
| Previous Payments | | 7,479,269 | 27,791,202 | 65,206,159 | 11,346,741 |
| Total Payments | 1 126,358 | 11 0 | | 36 116,911 | 20 91,035 |
| Balance | | | | | |
| Owner Purchased Materials | | | | | |
| Retainage | | | | | |
| Payments | 126,358 | 7,479,269 | 27,791,202 | 65,323,070 | 11,437,776 |
| Work completed | \$ 894,687 | \$ 0 | \$ 1,424,624 | \$ 4,878,585 | \$ 283,391 |
| Status | | | | | |
| | 4,379 | | | 101,027 | 159,638 |
| | 126,358 | 7,479,269 | 27,791,202 | 65,323,070 | 11,437,776 |
| | \$ 130,737 | \$ 7,479,269 | \$ 27,791,202 | \$ 65,424,097 | \$ 11,597,414 |
| | Active | Active | Active | Active | Active |

| | PO#6007692 MOB II 3rd Floor Time Share Fit Out Thornton Construction Co. #830922 MHM | PO#6007446PS JDCH ER Room Finishes Engel Construction, Inc. New #460423 (Old#460120) JDCH | Memorial Cancer Institute ANF Group, Inc. #401820 MHS | PO#6007523 Emergency Department Trauma Center Turner Construction Company #400222/PRJ00030 MRH | PO#6006728 JDCH Vertical Expansion Robins & Morton Group #460117 JDCH |
|-------------------------------|---|--|---|---|---|
| | Amount | Amount | Amount | | Amount |
| Original Contract Sum | \$ 2,148,948 | \$ 1,920,630 | \$ 3,318,036 | \$ 16,401,716 | \$ 108,993,259 |
| Prior Change Orders | | | (396,184) | | |
| Current Change Orders | | | | - | (6,106,416) |
| Prior Owner Purchase Orders | (320,239) | (178,677) | | (1,858,812) | (15,113,925) |
| Current Owner Purchase Orders | | (9,805) | (113,525) | | |
| Current Contract Sum to Date | \$ 1,828,709 | \$ 1,732,147 | \$ 2,808,327 | \$ 14,542,904 | \$ 87,772,918 |
| Previous Payments | 1,530,857 | 742,894 | 2,808,328 | 8,159,636 | 87,772,918 |
| | | 10 157,629 | | | |
| | | 11 196,777 | | | |
| | | 12 178,511 | | | |
| | | 13 132,954 | | | |
| | | 14 196,312 | | | |
| Total Payments | | 15 33,791 | 22 - | 20 513,369 | 29 0 |
| Balance | | 16 50,687 | | 21 146,152 | |
| | | 17 80 | | 22 337,350 | |
| Owner Purchased Materials | | 18 30,399 | | 23 414,117 | |
| Retainage | | 19 12,113 | | 24 309,170 | |
| Payments | 1,530,857 | 1,732,147 | 2,808,328 | 9,879,795 | 87,772,918 |
| Work completed | \$ 297,852 | \$ 0 | \$ (0) | \$ 4,663,109 | \$ (0) |
| Status | | | | | |
| | | | | 362,636 | |
| | 1,530,857 | 1,720,034 | 2,808,328 | 9,879,795 | 87,772,918 |
| | \$ 1,530,857 | \$ 1,720,034 | \$ 2,808,328 | \$ 10,242,431 | \$ 87,772,918 |
| | Active | Active | Active | Active | Active |

Cell: AB34

Note: Morris, Valerie:

Turner Construction invoice#24 for \$309,170.12. Amount paid was \$328,101.15. Overpaid \$18,931.03.

IA spoke with AP and an Internal Credit Memo was added to the vendor's account in the amount of \$18,931.03 to be offset on the next invoice for this project.

**Memorial Healthcare System
RFP and Competitive Quote Audits**

| RFPs | Current Phase - 3rd Quarter FY 2025 | Audited Last Quarter | Audited Current Quarter | Exceptions |
|---|--|---------------------------------|------------------------------------|-------------------|
| 1 Tissue Tracking and Point of Use Technology Solution | Ranking & Selection | New | Receipt | None |
| 2 Janitorial Services RFP | Ranking & Selection | Analysis | Analysis | None |
| 3 Rewards and Recognition RFP | On Hold | Design | Design | None |
| 4 Contact Center Augmentation RFP | Ranking & Selection | Receipt | Analysis | None |
| 5 Parking Management Service | Ranking & Selection | Design | Receipt | None |
| 6 Joint Replacement RFP | Analysis | New | Receipt | None |
| 7 Clinical Engineering Computerized Maintenance Management System | Selection | Oral Presentation | Oral Presentation | None |
| 8 Pest Control RFP | Analysis | Advertising & Mailing | Receipt | None |
| 9 EPIC On-Premise to Azure RFP | Selection | Receipt | Analysis | None |
| | | | | |

**Memorial Healthcare System
RFP and Competitive Quote Audits**

| Completed Competitive Quotes | Amount \$ | Exceptions |
|---|------------------|-------------------|
| 1 Biplane Vascular Equipment With Three Year Service Agreement for MRH Radiology | 1,482,497 | None |
| 2 Four Year Service Agreement for Cyber Knife System at Memorial Cancer Institute | 1,412,000 | None |
| 3 Three Year Service Agreement for Windows Servers License Renewal for MHS Data Centers | 1,274,843 | None |
| 4 Three Year Stretcher Program Repairs and Maintenance at MHW | 1,253,913 | None |
| 5 Five Year Stretcher Program Repairs and Maintenance at MRH | 1,182,497 | None |
| 6 Six Year Repair and Maintenance Service Agreement for Operating Room Equipment at MHW | 747,500 | None |
| 7 Five Year Laboratory Reagents Standing Order for MRH | 685,246 | None |
| 8 Five Year Stretcher Program Repairs and Maintenance at MHM | 672,238 | None |
| 9 Dragon Medical One Upgrade for Inpatient Admissions Licenses MHS | 512,399 | None |
| 10 Five Year Subscription Agreement for Satellite Television for MHS | 497,116 | None |
| 11 Five Year Preventative Maintenance Beds and Stretchers for MHP | 460,300 | None |
| 12 Bi Plane Room Equipment for Cardiac Catheterization at MRH | 447,821 | None |
| 13 Furniture for Telemetry at MHM | 442,233 | None |
| 14 Furniture for Community Youth Services Taft Street | 332,964 | None |
| 15 Five Year Maintenance Service Agreement for Beds and Stretchers at MRHS | 316,708 | None |
| 16 DocuSign eSignature Agreement Years Two & Three for MHS | 298,463 | None |
| 17 Change Order for Reclaimed Water Expansion Project at MHM | 260,928 | None |
| 18 Cardiology Stents Bulk Purchase for Cardiac Catherization at MHW | 245,000 | None |
| 19 Maintenance Support Renewal for Medical Devices for MHS | 222,318 | None |
| 20 Five Months Janitorial Services at Memorial Manor | 203,659 | None |
| 21 Thirteen Months HVAC Equipment Rental and Installation Services at MHP | 182,000 | None |
| 22 Sixty One Month Subscription for Satellite Television at MRHS | 176,167 | None |
| 23 Data Storage Subscription for MHS | 174,097 | None |
| 24 Annual Software Maintenance of OnBase Information Management System for MHS | 166,000 | None |
| 25 Three Year Fluorescence Imaging System Lease for JDCH | 161,631 | None |
| 26 Three Year Fluorescence Imaging System Lease for MHW | 161,631 | None |
| 27 Annual Epic Claims Data Integration Services for MHS | 153,096 | None |
| 28 Two Year Technical Support Services Agreement for Sterile Processing Microsystem at MHS | 152,295 | None |
| 29 Infusion Pumps with Point of Care Software for MHW | 147,205 | None |
| 30 Four Month Integration Development Services for Issue Resolution of Construction Services eBuilder Software and GHX. | 115,200 | None |

Memorial Healthcare System
Investor Contact Log
Fiscal Year 2025

| Quarter: Ended | Contact: | Representing: | Discussion: |
|------------------|--------------------------------|-------------------|-------------------------------|
| July 31,2024 | Stephen Infranco | Standard & Poor's | Rating discusson |
| | Beth Wexler and Vanessa Chebli | Moody's | Rating discussion |
| October 31, 2024 | Stephen Infranco | Standard & Poor's | Management change discussion. |
| | Beth Wexler | Moody's | Management change discussion. |
| January 31, 2025 | None | | |
| April 30, 2025 | | | |

**Memorial Healthcare System
Non Audit Engagement Report
Q3 FY 2025**

| Quarter Ended | RSM US LLP Engagement: | |
|----------------------|--|------------|
| Q3 FY2025 | For professional services rendered and expenses incurred in connection with the preparation of Form 990-T and quarterly estimates for the year ended April 30, 2024. | \$ 15,600 |
| | For professional services rendered and expenses incurred in connection with advisory services related to 1099 mapping. | \$ 7,875 |
| | Total | \$ 23,475 |
| Q3 FY2024 | Total spend, provided for comparative purpose | \$ 100,600 |

| Quarter Ended | Zomma Group LLP Engagement: | |
|----------------------|--|------|
| Q3 FY2025 | For professional services rendered and expenses incurred in connection with Non Audit Engagements. | \$ - |
| Q3 FY2024 | Total spend, provided for comparative purpose | \$ - |

**MEMORIAL HEALTHCARE SYSTEM
AUDIT AND COMPLIANCE WORK PLAN
FISCAL YEAR 2026**

SUMMARY

| | | HOURS | | | | | | |
|---|-------------------|-------------------|-----------------------|--|-----------------------------|------------------|---------------|--------|
| | | FY 2026 Budget | FY 2025 Budget | Mar 1, 2024 thru Feb 29, 2025 Actual | | | | |
| I. INTERNAL AUDIT | | | | | | | | |
| RECURRING ANNUAL AUDITS | | 750 | 1,150 | 3,022 | | | | |
| RECURRING QUARTERLY AUDITS | | 1,460 | 1,160 | 873 | | | | |
| INFORMATION SYSTEMS AUDITS | | 700 | 950 | 928 | | | | |
| OTHER INTERNAL AUDITS | | 3,350 | 1,450 | 1,561 | | | | |
| INTERNAL AUDIT TOTAL | | 6,260 | 4,710 | 6,383 | | | | |
| II. COMPLIANCE | | | | | | | | |
| FACILITY BILLING AUDITS | | 4,800 | 4,150 | 4,044 | | | | |
| PROFESSIONAL BILLING AUDITS | | 2,400 | 1,810 | 3,488 | | | | |
| FACILITY AND PROFESSIONAL BILLING AUDITS | | 400 | 600 | 631 | | | | |
| OTHER COMPLIANCE AUDITS | | 1,230 | 800 | 2,019 | | | | |
| COMPLIANCE AUDIT TOTAL | | 8,830 | 7,360 | 10,181 | | | | |
| III. PRIVACY & SECURITY | | | | | | | | |
| PRIVACY AUDITS | | 1,700 | 450 | 192 | | | | |
| INFORMATION TECHNOLOGY SECURITY AUDITS | | 2,600 | 910 | 128 | | | | |
| RISK MANAGEMENT | | 400 | | 0 | | | | |
| PATIENT'S RIGHTS | | 750 | | 0 | | | | |
| PRIVACY & SECURITY TOTAL | | 5,450 | 1,360 | 320 | | | | |
| IV. CONFLICTS OF INTEREST | | 1,810 | 1,400 | 2,022 | | | | |
| V. HOTLINE AND OTHER INVESTIGATIONS | | 3,000 | 1,400 | 1,100 | | | | |
| VI. ADMINISTRATIVE & OTHER | | 3,000 | 1,800 | 2,292 | | | | |
| VII. PAID LEAVE | | 2,860 | 1,890 | 1,804 | | | | |
| GRAND TOTAL | | 31,210 | 19,920 | 24,101 | | | | |
| SUMMARY BY STAFFING | | | | | | | | |
| | INTERNAL AUDIT | COMPLIANCE | PRIVACY & SECURITY | CONFLICTS OF INTEREST | HOTLINE & INVESTIGATIONS | ADMIN & OTHER | PAID LEAVE | TOTAL |
| CHIEF COMPLIANCE & INTERNAL AUDIT OFFICER | 624 | 964 | 135 | 258 | 385 | 265 | 113 | 2,743 |
| DIRECTOR OF COMPLIANCE | 5 | 1,135 | 0 | 22 | 346 | 301 | 279 | 2,088 |
| COMPLIANCE AUDITORS | 3 | 3,379 | 0 | 0 | 168 | 303 | 401 | 4,253 |
| COMPLIANCE AUDITOR - MPG | 0 | 3,721 | 0 | 0 | 8 | 101 | 333 | 4,163 |
| DIRECTOR OF INTERNAL AUDIT | 1,824 | 14 | 33 | 0 | 6 | 22 | 150 | 2,048 |
| SR DIRECTOR OF INTERNAL AUDIT | 366 | 7 | 0 | 9 | 1 | 51 | 0 | 433 |
| SENIOR INTERNAL AUDITOR | 1,523 | 24 | 0 | 2 | 3 | 351 | 185 | 2,088 |
| INTERNAL AUDITOR | 1,295 | 27 | 0 | 18 | 29 | 597 | 144 | 2,110 |
| SENIOR IT & PRIVACY AUDITOR | 743 | 610 | 152 | 41 | 151 | 265 | 128 | 2,088 |
| CONFLICTS OF INTEREST MANAGER | 0 | 301 | 0 | 1,673 | 5 | 37 | 72 | 2,088 |
| SENIOR DIRECTOR OF PRIVACY | | | | | | | | |
| PRIVACY MANAGER | | | | | | | | |
| SENIOR PRIVACY SPECIALIST | | | | | | | | |
| PRIVACY SPECIALIST | | | | | | | | |
| SENIOR PRIVACY ANALYST | | | | | | | | |
| PRIVACY ANALYST | | | | | | | | |
| PRIVACY TECHNICIAN | | | | | | | | |
| TOTALS | 6,383 | 10,181 | 320 | 2,022 | 1,100 | 2,292 | 1,804 | 24,101 |

I. INTERNAL AUDIT
Hours

| | | |
|-----------|--|--------------|
| A. | RECURRING ANNUAL AUDITS | 750 |
| | Pension Plan Annual audit of pension plan activity for compliance with plan document. Audit of Contributions. | 200 |
| | RSM Annual Audit Assist RSM with annual financial audit. | 550 |
| B. | RECURRING QUARTERLY AUDITS | 1,460 |
| | Construction Audit of construction disbursements for all projects with an estimated cost of \$1,000,000 or greater. | 200 |
| | RFPs and Competitive Quotes Audit to determine that all Requests for Proposal (RFPs) and Competitive Quotes are conducted according to System policies. | 200 |
| | Leases Audit to determine that all Leases are conducted according to System policies. Verify inventory, policies and procedures that include leasing policy, FMV policy, Rent Collection Policy, Space Measurement Policy, Real Estate Document policy, type of policy (from triple net to full service gross leases), base rate, rent table, competitive analysis report, documentation of the referral sources and the commercial reasonableness of the transactions. | 200 |
| | RSM Non Audit Engagements Identify and report to the Audit and Compliance Committee all RSM engagements that are not related to their main audit activities. | 60 |
| | Board and CEO Travel & Expenses Audit to determine that all travel and entertainment expenses incurred by Board members and President and CEO are consistent with System policies. | 200 |
| | Government Relations Department Expenses and Travel Reimbursement Audit to determine that the quarterly departmental expenses and travel reimbursements incurred by members of the Governmental Affairs Department are consistent with System policies. | 200 |
| | Employee Travel Expenses and Reimbursement Audit to determine that the quarterly travel and entertainment expenses incurred by all Memorial Healthcare System employees, including employed physicians, are consistent with System policies. | 400 |
| C. | INFORMATION SYSTEMS AUDITS | 700 |
| | Assistance Provided to Protiviti Coordinate and review services provided by Protiviti. | 200 |
| | Audit Workpaper Software Maintenance of the Audit Department management system, including the development of automated reports and management response process, development of risk assessments, updates to project program steps, and create and maintain audit summary dashboard. | 300 |
| | Pharmacy Concierge Follow up Determine whether the MHM PCS Program adheres to the Pharmacy Concierge Service policies and procedures, obtains patient choice to fill the Rx to maintain proper continuity of care, and takes necessary steps to collect the minimum amount of data while maintaining privacy and security. | 200 |

I. **INTERNAL AUDIT**

Hours

| | |
|---|--------------|
| D. OTHER INTERNAL AUDITS | 3,350 |
| <p>Non-Monetary Compensation to Contracted Physicians</p> <p>Determine whether non-monetary compensation are provided to physicians for medical staff incidental benefits that can include meals, parking, and items or incidental services. Verify that an inventory of non-monetary compensation and benefits exists.</p> | 300 |
| <p>Supply Chain</p> <p>Evaluate the supply chain governance, risk management and control processes appropriately reduce operations costs, increase competitive advantage, and inventory sole source providers, and verify supplier selection process ensures that they provide quality goods and services, timely delivery and follow up on delays, have strong cybersecurity controls, have service level audits, and are held to ethical standards.</p> | 400 |
| <p>Employee Travel Expenses and Reimbursement</p> <p>Complete audit of travel expense and reimbursement for employees since fiscal year 2023 to current to verify employee travel and expenses were approved by their leader and reimbursement followed the travel policy's internal controls that include lodging, airfare, meals, and other expenses recorded on the appropriate expense forms and were submitted with supporting documentation, such as receipts and other proof of payment.</p> | 400 |
| <p>District Labs</p> <p>Manage outside internal audit firm to assess the processes for supplies and availability, medication reconciliation, and capturing medication errors. Identify where in the process tests are charged, evaluate the timeliness and accuracy of the test and the need for retesting at all laboratory locations. Joint audit with the nurses for "medical necessity".</p> | 400 |
| <p>Property Management (off-site facilities/non-hospitals and MOBs)</p> <p>Manage outside internal audit firm to assess the management of general maintenance and special requests for items such as painting, mold mitigation, social distancing set up, etc. Perform minor maintenance such as changing light bulbs and AC filters. Hospital facility departments will have the same level of risk. The hospital facility departments report through the hospitals.</p> | 200 |
| <p>Drug Procurement Process</p> <p>Review the controls in the drug procurement process. Evaluate the adequacy of internal controls to manage the purchasing, receiving, approval and payments to MHS's pharmaceutical drug vendors. McKesson invoice approval within the "McKesson Connect" portal. No approval limits within that portal for MHS approvers. Invoices paid without approval, overpayments.</p> | 300 |
| <p>Workday Approval Routing Procurement and Payments</p> <p>Evaluate the extent of the WD approval routing deviations from the MHS approval matrix for purchase orders and invoices. AP invoice routing issue identified during RSM interim testing. Purchase requisition routing issue identified during quarterly competitive bids review.</p> | 300 |
| <p>Business Intelligence</p> <p>Review and validate the financial data that is being used for business decisions by Executives. Assess the role this function plays in decision making.</p> | 300 |
| <p>Strategic Financial Support</p> <p>Evaluate strategic planning process for the requirements for accomplishing the vision and the steps to get there.</p> | 250 |
| <p>AR Management</p> <p>Front end process at Manor, MPG, Urgent Care, and MPG and the back end process Corporate.</p> | 250 |
| <p>Accounts Payable</p> <p>Review of MHS invoices with credit balances associated with purchase order line items. Determine if MHS is appropriately capturing credit balances to offset payment amounts. Issue was identified during quarterly review of construction payment applications.</p> | 250 |
| INTERNAL AUDIT TOTAL | 6,260 |

II. COMPLIANCE

| | Hours |
|---|--------------|
| A. FACILITY BILLING AUDITS | 4,800 |
| DRG Coding Conduct coding audits of MS-DRGs that have been nationally identified as subject to manipulation. Determine whether the services provided were medically necessary. Audit the coding process to determine that the assignment of DRGs is appropriate and reasonable. | 300 |
| APCs & Outpatient Services Conduct coding audits that have been nationally identified as subject to manipulation. Determine whether the services provided were medically necessary. Audit to determine whether issues of medical necessity, diagnosis and procedure coding, and bundling and unbundling of services relating to the outpatient prospective payment system are properly handled. | 300 |
| Medicaid Services Determine whether the services are medically necessary. Determine whether the services are billed according to Medicaid guidelines. | 200 |
| 340B Drug Pricing Program - Hospital Determine whether the patients are appropriate candidates. Determine if the provider is 340B eligible. Audit for potentially abusive practices, such as duplicate discounts. Audit to determine adequacy of documentation. Determine if the location is an eligible location. | 400 |
| 340B Drug Pricing Program - Contract Pharmacies Determine whether the patients are appropriate candidates. Determine if the provider is 340B eligible. Audit for potentially abusive practices, such as duplicate discounts. Audit to determine adequacy of documentation. Determine if the location is an eligible location. | 400 |
| 340B Drug Pricing Program - External Contract Pharmacies Determine whether the patients are appropriate candidates. Determine if the provider is 340B eligible. Audit for potentially abusive practices, such as duplicate discounts. Audit to determine adequacy of documentation. Determine if the location is an eligible location. | 400 |
| New Programs and Services Determine whether issues of medical necessity, diagnosis and procedure coding, and bundling and unbundling of services relating to new programs are properly handled. Includes Comprehensive Stroke Designation at MHW, RN Fellowship Program, LDL Pheresis at JDCH (see Plasmology under partnership), Manor Insourcing Pharmacy Services, Pharmacist Led Medication Management MRH, Laboratory downtime process, Hospital at Home at MHW & MRH and expected patient population - Medicare FFS and MEHP, MHW Operating Room LeanTAAS System documentation, coding and billing audit (IT audit if iQueue system under IT Security Audits) , MPC division is the City of Hollywood clinic, Transcranial Magnetic Stimulation (TMS) at Outpatient Behavioral Health (Started seeing patient July 2024), OBGYN has since added a new procedure and equipment (MPC), UCC seeing babies 6 months and older (as of November, 1, 2024), NICU Level 3 at MHM & MHW - JDCH was able to begin charging Level 4 and MHW/MHM (see Facility and Professional Billing Audits section) , and Sport Rehab clinic on Hollywood Blvd, JDCH (since August 2024) . | 800 |
| Total Heart Center and Adult Congenital Heart Disease Program Audit for potentially abusive practices such as upcoding; examine for adequacy of patient record documentation. | 200 |
| Clinical Trials Audit to assess program safeguards related to clinical trial claim processing requirements. Audit to assess that payment only includes items and services that Medicare would otherwise have covered if they were not provided in the context of a clinical trial. | 200 |
| Pain Management Audit to assess that the pain management program to ensure adherence to relevant regulations, ethical guidelines, and best practices, verify medical necessity is appropriately documented and coded, and accounts are properly documented, coded and billed according to Local Coverage Determination as well as Medicare and Medicaid requirements. | 200 |
| Partial Compliance Risk Assessment Evaluate consequences of leadership changes on identify areas internal control, evaluate potential compliance risks to possible outcomes, and prioritize legal and regulatory risks based on the severity of possible operational, legal, and financial damage associated with each. | 200 |

II. COMPLIANCE**Hours**

| | |
|--|-----|
| Memorial/Moffitt Cancer Program | 200 |
| Audit to ensure all policies, care plans, and other documentation are in order, medication adherence rates are monitored; examine for adequacy of patient record documentation. Audit for potentially abusive practices such as upcoding; examine for adequacy of patient record documentation. | |
| Florida Parental Consent Law | 200 |
| CMO of JDCH reported needed education for a general consent signed a foster parent who has no authority. Verify new Florida Parental Consent Law process is documented and procedures to follow to avoid misdemeanor of the first degree for physicians and other health care providers to provide medical services to a minor without first obtaining written parental consent. See Florida HB 241 at https://www.flsenate.gov/Committees/BillSummaries/2021/html/2475 | |
| Regulatory Audits | 200 |
| Conduct audits that determine whether we are following the rules which allow us to be Medicare and Medicaid providers, such as, the Medicare Outpatient Observation Notice, the Important Message from Medicare, the Detailed Notice of Discharge, signage, Pregnancy Termination after 15 weeks, and the new Medicare Change of Status Notice (MCSN) effective 2/14/25, etc. | |
| Medicare Administrative Contractor Comparative Billing Reports | 200 |
| Conduct audits to review First Coast Service Options, Inc. letters of utilization units and dollars paid, average number of units and dollars paid as compared to our peer group to identify opportunities to refine Medicare billing and utilization. | |
| Partnerships and Outside Services Programs | 200 |
| Conduct audits that determine whether we are following the rules which allow us to be Medicare and Medicaid providers with our partnerships and outside services, including HOPCo, Janus Health, Inc, Plasmology4, Inc. ICHOR Vascular, Inc, CaringWays, Inc ScriptDrop, Inc. and ProRank, Inc. | |
| New CARF Standards | 200 |
| Review to ensure the corporate compliance CARF policies have been adopted by leadership, policies and procedures address exclusions, compliance officer monitors, conducts risk assessments implements an annual work plan, reports on matters pertaining to the compliance program, trains personnel on compliance, and conduct internal audits. | |

B. PROFESSIONAL BILLING AUDITS**2,400**

| | |
|---|-------|
| Coding and Billing Practices of Employed Physicians | 2,400 |
| Audit for potentially abusive practices such as upcoding; examine for adequacy of patient record documentation, include telehealth reviews and teach physician services for Hospitalists, Pediatric GI Program, Pulmonary, Pediatric Cardiac, Gastroenterology, Infectious Disease, Otolaryngology, Thoracic Surgery, and Vascular Surgery. | |

C. FACILITY AND PROFESSIONAL BILLING AUDITS**400**

| | |
|--|-----|
| Medical Necessity, Coding and Billing Audits for Hospital and MPG | 400 |
| Audit for compliance with Medicare and Medicaid requirements for medical record documentation of medical necessity, diagnosis and procedure coding, and medication adherence for both technical component and professional components in programs such as Bariatric/Weight-Loss Program, Chronic Care Pediatrics, and NICU III at MHM. | |

D. OTHER COMPLIANCE AUDITS**1,230**

| | |
|---|-----|
| Evaluation of Corporate Compliance Program Self Assessment | 300 |
| Determine that the Compliance Program effectively articulates and demonstrates the organization's commitment to the compliance process and ethical business practices, a culture that promotes prevention, detection and resolution of conduct that does not conform to Federal and State laws. | |
| CCP Network | 30 |
| Perform the function of compliance committee member at the Community Care Plan. | |
| Excluded Party Searches | 200 |
| Perform annual searches of all employees, physicians, non staff physicians, non physician practitioners, traveling nurses, students, volunteers, vendors and vendor principles to ensure that none have been excluded from participation in federal programs. | |

II. COMPLIANCE

Hours

Compliance Policies and Procedures

1,000

Update standard practices, systemwide policies and procedures, and departmental policies and procedures. Audit to determine whether the Compliance Program and Privacy Program policies and procedures are being followed.

COMPLIANCE AUDIT TOTAL

8,830

III. PRIVACY & SECURITY**Hours****A. PRIVACY AUDITS****1,700**

| | |
|---|-----|
| Privacy Technical Issues | 100 |
| Participation in the management of Privacy Technical issues including log management and development, remote and system access, software application privacy compliance, investigation tools, and privacy monitoring. | |
| Population Health Services | 150 |
| Assess the current policies and procedures for this program to determine whether it meets the objectives and is consistent with the privacy and security standards. Audit approach would be validating any key indicators, reportable statistics on productivity, efficiency, and resource allocation, etc. Source - www.CDC.gov/POPhealthtraining/what is Population Health | |
| General Data Protection Regulation | 150 |
| Review patients and employees for residence in the European Union and evaluate privacy requirements are met to ensure data protections at rest and transit, use and disclosure, and data retention meet the requirements of GDPR. | |
| Break the Glass | 150 |
| Evaluate a sample of the break the glass report for escalated access to ePHI for appropriateness. | |
| HIPAA ROI to Law Enforcement | 200 |
| Determine whether appropriate use or disclosure to law enforcement complies with the requirements under HIPAA and verify disclosures were limited to the relevant circumstances under which law enforcement may access patient health information. | |
| Health Information Management | 200 |
| Assess the vendor compliance of contracted entity for the records release function to ensure the vendor follows Memorial policies and procedures for release of information, is compliant with contractual obligation, and adheres to all privacy requirements including HIPAA privacy and security requirements of protected health information. Verify appropriate legal medical record | |
| Business Associate Contracts | 150 |
| Verify that MHS has an active contract and Business Associate Agreement (BAA) with vendors or contracted entities that will have a BAA where there is a risk that contracted entity will access to PHI, PII, or sensitive information or where there is reasonable cause to believe that PHI, PII, or sensitive information will be incidentally or otherwise disclosure to them. | |
| Privacy Rule Requirements for Group Health Plans | 200 |
| Assess compliance with 164.504(f) Uses and Disclosures Standard for Group Health Plans self-insured maintain a separation that ensures only those employees with a plan-related need access to PHI for plan administrative functions are permitted access to the plans PHI, including payment and health care operations activities performed by employees of the employer. | |
| Right of Access | 200 |
| Obtain and review access requests that were granted and denied to ensure process followed policies and procedures, access was fulfilled in the form and format requested if able to produce in the requested format, that response was in a timely manner (30 days), fee charged met reasonable requirements of 164.524(c)(4) and denied PHI was excluded per §164.524(d)(1) | |
| HIPAA Walk Throughs | 200 |
| Walk through selected departments at each facility to ensure employees adhere to privacy requirements and provide education to workforce. | |

B. INFORMATION TECHNOLOGY SECURITY AUDITS**2,600**

| | |
|--|-----|
| Ransomware Readiness | 150 |
| Evaluate effectiveness of controls to mitigate ransomware attacks at the Memorial Healthcare System network perimeter. | |
| IQueue OR Scheduling Access Review | 150 |
| Verify required security guardrails have been implemented with a community accessible Operating Room Scheduling application. | |
| Identity and Access Management | 150 |
| Evaluate access controls as employees and vendors change roles within Memorial Healthcare System. | |
| Transmission Security | 250 |
| Review electronic transmission of ePHI, verify a mechanism to encrypt the ePHI was implemented appropriately, to include email, texting, application sessions, FTP, remote backups, remote access and support sessions (VPN) and web conferencing. | |

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| Epic Slicer/Dicer Level 2 Monitoring | 150 |
| Review Epic Slicer/Dicer default Level 2 access to all MHS users, which is unmonitored, does not present an elevated risk. | |
| Privacy and Security of Voice Recognition Drives Available in Patient Rooms | 150 |
| Review Opt In/Opt Out procedures of voice recognition devices available in patient rooms along with the data retention/activation of conversations held within range of such devices. | |
| Risk Management Framework | 200 |
| Review the standards and guidelines for assessing and managing risks, which include setting objectives, establishing principles for corrective actions, identifying threats and vulnerabilities, analyzing the impact that PHI, PII and sensitive information losses may have and developing criteria for accepting risk levels. | |
| Emergency Preparedness | 400 |
| Assess emergency response procedures to mitigate environmental emergency situations related to geographic areas, care-related emergencies, equipment and power failures, communications interruptions, loss of all or a portion of the facility, loss of all or a portion of supplies. Evaluate management controls, business impact analysis, emergency plan for continued operations, and recovery plan. https://www.cms.gov/medicare/health-safety-standards/quality-safety-oversight-emergency-preparedness/core-ep-rule-elements | |
| Florida Off-Shore Storage of eHealth Records | 200 |
| Review compliance of new Florida law requiring all patient data storage is physically held within the United States. | |
| Smart Patient Rooms | 400 |
| MRHS is piloting a smart room solution allowing patients to use voice technology to request medical or physical assistance. Review controls to ensure that patient information remains secured at rest and in transit, is properly disposed of, personal and unintended patient conversations are not to be stored, and meet the ADA requirements. | |
| Governance Policies, Processes, and Procedures | 200 |
| Evaluate whether the MHS formalized and published System Development Life Cycle (SDLC) policy requires and uses a well-documented system(s) development life cycle framework, has been reviewed and received approval from MHS security and privacy teams in all application development and enhancement projects. | |
| Data Processing Policies, Processes, and Procedures | 200 |
| Review the process of developing policies and procedures to ensure that the data review transfer, sharing or disclosure, alternation, and deletion of non-PHI and sensitive data stored and processed by the organization, including plans for access and management of website analytics, data, data lifecycle policy or guidelines, cookies management policy and procedures allow individuals to control their privacy preferences when browsing MHS websites. Review to verify the current Risk Management and Risk Analysis policy includes non-PHI personal data collected, used for analytics, and processed in routine reviews for privacy risk, particularly marketing data from MHS Websites, verify risk tolerance levels have been established to align with the organization's objectives and privacy requirements, and have developed procedures to review population subsets against model outcomes and through common bias assessment solutions. | |
| C. RISK MANAGEMENT | 400 |
| Risk Management Framework | 200 |
| Review the standards and guidelines for assessing and managing risks, which include setting objectives, establishing principles for corrective actions, identifying threats and vulnerabilities, analyzing the impact that PHI, PII and sensitive information losses may have and developing criteria for accepting risk levels. | |
| Inventory and Mapping | 200 |
| Manage the update process for the MHS Application Inventory of PCI, PII, PHI data classifications to include an additional classification of who the data belongs to e.g., patients, employees or prospective employees, contractors. Ensure criticality tiers are defined across inventory maintenance standards and related program documentation to ensure consistency and accuracy of the information available in the Application Inventory to better prioritization mechanisms and inform business process owners and stakeholders of risk management decisions. | |
| D. PATIENT'S RIGHTS | 750 |
| Right of Access to Medical Records | 150 |
| Investigate allegations of patient's denied right of access to their medical records within a timely manner, and provide written notification to patients. | |
| Request Corrections to Records | 150 |

Process patient requests for amendments to their medical records, present potential denials to the Privacy Subcommittee for approval, and provide written notification to patients.

| | |
|---|--------------|
| Request for Restrictions | 100 |
| Process patient requests to restrict their medical records, present potential denials to the Privacy Subcommittee for approval, and provide written notification to patients. | |
| Accounting of Disclosures | 150 |
| Process patient requests for an accounting of disclosures of their medical records, present potential denials to the Privacy Subcommittee for approval, and provide the accounting of disclosure or denial notification in writing to patients. | |
| Notice of Privacy Practices | 50 |
| Prepare, update, and ensure the Notice of Privacy Practices is up to date and complies with the HIPAA requirements to inform the patient how MHS uses and disclosures patient protected health information, how MHS secures their protected information and maintains their privacy, and informs patient of their rights to complain to Health and Human Services and to MHS if they believe the privacy rights have been violated. | |
| Notice of Breach of PHI | 150 |
| Notify patient of any breach of their unsecured medical records when there is reason to believe the PHI has been accessed, acquired, used, or disclosed without authorization. Furthermore, notify the Secretary of small breaches of unsecured protected health information by March 1 of the following calendar year and breach of 500 or more individuals within 60 days and notify the State of Florida Department of Legal Affairs within 30 days. | |
| PRIVACY & SECURITY TOTAL | 5,450 |

| IV. CONFLICTS OF INTEREST | | Hours |
|--|--|--------------|
| C. CONFLICTS MANAGEMENT | | 1,810 |
| Distribution and Analysis mitigated. Determine that the risks of purchase schemes, kickbacks, bid rigging, etc. are mitigated. | | 900 |
| Training Program Provide training throughout the organization about conflicts, how and when to disclose potential conflicts, and make available on the MHS LMS Aspire. | | 200 |
| Policies Adherence Verify policy compliance policies for identification, evaluations and mitigation of potential and possible conflicts of interest. | | 200 |
| Conflicts Management Application Development Work with Information Technology Application Development to drive the enhancements of the current Conflicts of Interest System to send, receive, and store workforce communications, to allow the user to use their prior year's disclosure when there has been no change to the disclosed conflict from year to year, to include a new template for the Physician Outside Activities Form with the same capabilities as the Conflicts of Interest system, and to have the COI Subcommittee documentations in the application. | | 200 |
| Subcommittee with Conflicts Evaluation and Risk Instrument Process Conflict decision-tree flowchart, verify members of the COI Subcommittee have been training and complete the risk evaluations for each conflict of interest disclosed. Provide training on applicable laws and regulations related to the disclosed conflict, standardize tools and processes to mitigate conflicts, fielding questions and requests for additional information, coordination of Subcommittee votes and mitigation requirements. Implement updated and new software, including contracting, roll-out, training, and maintenance. | | 310 |
| CONFLICTS OF INTEREST TOTAL | | 1,810 |
| V. HOTLINE AND OTHER INVESTIGATIONS | | |
| Hotline Investigate and respond to compliance hotline calls. | | 700 |
| Privacy Investigate and respond to Privacy Reports of inappropriate access, Fairwarning co-worker snooping, VIP, break or bump the glass and other reports, Data Loss Prevention reports, HIE monitoring reports, and other reports | | 700 |
| Internal Reports Investigate and respond to Internal Reports of suspected noncompliance. | | 700 |
| Document Requests Document requests, audit, review, and response to HHS OIG, OCR, CMS, FCSO, RAC, TPE, UPIC SMRC, CERT, and any other scheduled or ad hoc audits. | | 600 |
| Contract and License Reviews Evaluate contracts and license agreements to ensure compliance with CMS, Florida Statute on conflicts of interest, HIPAA and FIPA privacy and data security requirements. | | 300 |
| INVESTIGATIONS TOTAL | | 3,000 |
| VI. ADMINISTRATIVE & OTHER | | |
| Compliance, Internal Audit, Conflicts of Interest, Privacy Training and Development Includes New Employee Orientation, Leadership Essentials, Management Updates, Compliance Working Committee, Physician Compliance Training, HIPAA training, and Inservice sessions as needed. | | 2,200 |
| Administrative and Other Includes special projects, meetings, etc. Includes Credit Union | | 800 |
| TRAINING, STAFF DEVELOPMENT & OTHER TOTAL | | 3,000 |

VII. WORK PERFORMED BY OUTSIDE AUDIT FIRMS

| A. ANNUAL IT SECURITY AUDITS | Firm |
|--|-------------|
| External Penetration Testing Conduct an annual scan to identify and evaluate the security posture and risk exposures of external MHS environments (Internet perimeter) and to identify information security system issues. Conduct scans of new, outward facing features such as ePrescribing and Patient Medical Records. | Protiviti |
| Internal Penetration Test Internal Penetration Test, with a focus on Ransomware attack vectors, would be performed to evaluate the risk the organization faces if an attacker, malicious code, or internal employee were to attempt to perpetrate an attack on the network from the inside, otherwise bypassing external network controls that would prevent an external attacker. | Protiviti |
| Internal Vulnerability Assessment Conduct an annual scan to identify and evaluate the security posture and risk exposures of internal MHS environments and to identify information security system issues. | Protiviti |
| B. NEW IT SECURITY AUDITS | Firm |
| Vendor Risk Delegation Protiviti will perform evaluation of rules and policies adopted to manage the risks of delegating responsibility to vendors and related entities of first tier, downstream, and related entities. | Protiviti |
| Data Governance This review will include follow up on control of the effective data management and governance with an increased focus on data commercialization and interoperability. | Protiviti |
| Application Review (i.e. Population Health, Telehealth) Protiviti will assist MHS to evaluate the system and security controls of Population Health and telehealth solutions, including an evaluation of the databases, servers, and infrastructure that support the applications, access management, and data governance. | Protiviti |
| Incident Response Program Assessment Assess Information Technology Incident Response Program against industry best practices and standards to identify potential risks and vulnerabilities, measure maturity, forensic capabilities, and lessons learned process. | Protiviti |
| NIST's Artificial Intelligence Framework Assess the business processes, policies and technologies that facilitates AI and consider the development of organizational AI management frameworks to support appropriate risk coverage. | Protiviti |
| Life Sciences Measure against current transparency and explainability in artificial intelligence in the interpretable models and detailed documentation that are vital for regulatory compliance. | Protiviti |
| International Privacy Evaluate the process to ensure privacy program is compliant with the GDPR and EU AI act that has influenced global data protection strategies. In addition, evaluate the readiness of the organization's privacy program as it relates to the American Privacy Rights Act of 2024 and read for any future changes. | Protiviti |
| C. INTERNAL & COMPLIANCE AUDITS | Firm |
| District Labs Assess the processes for supplies and availability, medication reconciliation, and capturing medication errors. Identify where in the process tests are charged, evaluate the timeliness and accuracy of the test and the need for retesting at all laboratory locations. Maybe a joint audit with the nurses for "medically necessary". In Hallandale and is the same as the individual labs in regards to risk. | TBD |
| Property Management (off-site facilities/non-hospitals and MOBs) Managing general maintenance and special requests for items such as painting, mold mitigation, social distancing set up, etc. Perform minor maintenance such as changing light bulbs and AC filters. Hospital facility departments will have the same level of risk. The hospital facility departments report through the hospitals. | TBD |

VII. WORK PERFORMED BY OUTSIDE AUDIT FIRMS

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| Cancer Institute Risk Assessment | TBD |
| Identify and assess the likelihood and potential impact of operational risks to the organization and evaluate how adequate controls are in reducing risk to ensure that residual risk is at a manageable level. | |
| Pharmacy | PPP |
| Regular quarterly audits to determine medication adherence | |
| Physician Agreements | Nelson Mullins Broad & Cassel |
| Determine whether Physician Agreements, including lease agreements, are in compliance with federal regulations. Verify that the work being performed and the payments being made are in accordance with an executed and current contract. | |
| Evaluation of Corporate Compliance Programs | RFP Process |
| Determine that the Compliance Program effectively articulates and demonstrates the organization's commitment to the compliance process and ethical business practices, a culture that promotes prevention, detection and resolution of conduct that does not conform to Federal and State laws. | |
| Memorial Manor | PYA |
| Assess the Memorial Manor to ensure appropriate processes are in place to ensure that infection prevention, meeting the regulatory requirements for quality, life safety, and emergency preparedness, and meet accreditation and the CMS and State skilled nursing facility requirements. | |
| Transplant Program | TBD |
| Determine transplant program policies and procedures align with regulatory requirements and data reporting, and coding and billing are appropriate. | |



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: December 12, 2024
From: David Smith, Executive Vice President and Chief Financial Officer, MHS *DSmith*
Saul Kredi, Vice President, Chief Supply Chain Officer, MHS *SK*
Subject: **Action Plan: INTERNAL AUDIT OF REQUIREMENTS FOR REQUEST FOR PROPOSALS (RFP) AT MEMORIAL HEALTHCARE SYSTEM**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|---|---|---------------------------|
| We recommend Supply Chain Management (SCM) continue to work on revising the RFP Standard Practice. | We are going to work with Legal on creating a comprehensive Procurement Guideline and in conjunction with that, we will also revise the RFP Standard Practice. | 8/1/2025 |
| We recommend SCM establish standardized documentation of sole source vendors to include market research analysis and approval of the competitive bid exemption. | We will draft a policy to document this process. | 8/1/2025 |
| We recommend SCM maintain documentation to support the selection of all vendors and consultants for contracted services. | Training new staff on documentation of selection of all vendors is in process in conjunction with the sole source vendor policy. We will also be providing on-going education to the organization on sourcing products, services, and equipment as a refresher. | 8/1/2025 |
| We recommend SCM continue to review contracts near the end | Supply Chain will continue this practice. In addition, we will | 8/1/2025 |

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| of term to determine the value and feasibility of rebidding the products or services. | obtain Executive Approval for any agreements that require extension. | |
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cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: December 10, 2024
From: Dave Smith, Executive Vice President and Chief Financial Officer, MHS
Subject: Action Plan: INTERNAL AUDIT OF FACILITIES MANAGEMENT AT MHS

A handwritten signature in blue ink, appearing to read 'D. Smith', is located to the right of the 'From:' line.

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|---|---|---------------------------|
| We recommend that the Facilities Management Directors work with the Construction Services Department to update the Standard Practice of Construction Services to align with the Facilities Matrix and acceptable practices. | Construction Services will update the Construction Services Standard Practice in collaboration with MHS Facilities Directors, Supply Chain Management and MHS CFO, ensuring alignment with Facilities Matrix and current practices. | June 1, 2025 |
| We recommend that a policy and procedure is drafted specifically for Facilities Management department to address vendor selection, documentation of preferred vendors and vendors with exclusive products and services, Facilities Matrix, Purchase Order (PO) requirements and exceptions, vendor selection documentation in Workday, and vendor rotation. | MHS Facilities Directors, Construction Services and Supply Chain Management will develop a policy and procedure that address the Facilities Matrix requirements, including all necessary references to approvals, vendor selection, sole sourcing of vendors, ordering, verification and documentation requirements. MHS CFO will evaluate the need for vendor rotation requirements to include in said policy, if any. | June 1, 2025 |

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| <p>We recommend that the Facilities Management team collaborate with Supply Chain Management and Accounts Payable to ensure that PO invoices are not paid as non-POs, to ensure that the open PO management control in place is effective.</p> | <p>Supply Chain Management & Accounts Payable department will develop a process to improve invoice and PO line item matching prior to invoice approvals at the entity level, and a reporting process for open PO line items that enables monitoring at the individual entity level.</p> <p>Requirement to utilize POs and confirm non-PO invoices will be addressed in Facilities Matrix policy and procedure being developed.</p> | <p>June 1, 2025</p> |
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cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: January 6, 2025

From: Jeffrey Sturman, Senior Vice President and Chief Digital Officer 

Subject: **Action Plan: INTERNAL AUDIT OF ARTIFICIAL INTELLIGENCE GOVERNANCE AT MEMORIAL HEALTHCARE SYSTEM**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|--|--|---------------------------|
| We recommend that AI best practices be developed and established to provide guidance on AI acceptable uses within the healthcare system. | Draft guidance document is complete. We are in the process of getting feedback from stakeholders and will have it published in policyStat. | 3/31/2025 |
| We recommend a policy that provides guidance for governing, mapping, measuring, and managing AI risks at MHS. | IT is working on developing governance group. Which will be part of data and analytics governance group. We should have a charter and measures to mitigate AI risks at MHS | 9/30/2025 |

cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: February 25, 2025

From: Joseph Stuczynski, Chief Executive Officer, MHW
Katherine Wong, Chief Financial Officer, MHW

Subject: **Action Plan: COMPLIANCE AUDIT OF THE 340B PROGRAM AT
MEMORIAL HEALTHCARE SYSTEM (MHS) - FY 2025 THIRD QUARTER**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|--|--|---|
| We recommend nursing leadership to reeducate the staff on verbal/telephone orders as per MHS policies. | Tips and Educations for Nursing leaders has been shared with MHW Nursing leadership on 2-26-2025. Nursing Managers have been huddling to their respective teams. | 4/1/2025 |
| We recommend nursing leadership to develop, implement, and monitor a process/workflow to ensure that the MHS policy on "Medication Overrides" is followed. | Epic Workbench report was created for MHW Nursing Leadership, and the Pharmacy Operations Manager is currently validating to ensure data is capturing the information correctly. Pharmacy Operations Manager is working with Director of Nursing, Lotta Tall to review and identify opportunities for reducing non-emergent overrides. The Clinical Pharmacists at MHW are now running the report 3-4 times daily to capture in real time and have the nurse | Overall estimated completion date: 4/1/2025 for the new report with the other action items already completed and implemented. |

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| | enter the corresponding telephone/verbal order. | |
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cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: February 25, 2025

From: Philoron Wright, Chief Executive Officer, MRHS
David Webb, Chief Financial Officer, MRHS

Two handwritten signatures in blue ink are placed to the right of the 'From:' field. The first signature appears to be 'David Webb' and the second appears to be 'Philonor Wright'.

Subject: Action Plan: COMPLIANCE AUDIT OF THE 340B PROGRAM AT
MEMORIAL HEALTHCARE SYSTEM (MHS)- FY 2025 THIRD QUARTER

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|--|--|---------------------------|
| We recommend nursing leadership to reeducate the staff on verbal/telephone orders as per MHS policies. | Nursing education regarding verbal/telephone orders starting April 1 st | 4/30/25 |
| We recommend nursing leadership to develop, implement, and monitor a process/workflow to ensure that the MHS policy on "Medication Overrides" is followed. | Nursing and Pharmacy to develop an audit process for Medication overrides. Ongoing auditing for 3 months starting 5/1/25 | 7/1/2025 |

cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: March 3, 2025
From: Aurelio Fernandez, Interim Chief Executive Officer, MRH
Walter Bussell, Chief Financial Officer, MRH *W. Bussell*
Subject: **Action Plan: COMPLIANCE AUDIT OF THE DOCUMENTATION AND BILLING OF THE MEDICARE-SEVERITY DIAGNOSIS RELATED GROUP (MS-DRG) 207 and MS-DRG 208 AT MEMORIAL REGIONAL HOSPITAL**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|---|--|--|
| We recommend that Health Information Management continue to provide education to coding staff on respiratory failure and calculating mechanical ventilation hours by including MS-DRG 207 and 208 routinely in their regular audits for coding. | HIM will monitor respiratory failure and mechanical ventilation hours by including DRGs 207 & 208 in routine coding audits. Education for coding respiratory failure and calculating ventilation hours is available for staff to review and refresher will be provided for coding staff. Additionally, HIM has collaborated with Respiratory Therapy to ensure hours for mechanical ventilation is appropriately documented in EPIC. | Routine auditing will be ongoing and refresher education will be completed by 5/31/2025. |

cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: March 13, 2025

From: Aurelio Fernandez, Interim Chief Executive Officer, MRH
Walter Bussell, Chief Financial Officer, MRH

AK

WBussell

**Subject: Action Plan COMPLIANCE AUDIT OF DOCUMENTATION OF
CONTROLLED SUBSTANCES IN THE HEMATOLOGY ONCOLOGY
INPATIENT DEPARTMENT AT MEMORIAL REGIONAL HOSPITAL**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|--|--|---------------------------|
| We recommend reeducating the Registered Nurses (RN) on the "Medication Administration - Policy Statement" and "Scheduling Medications Administration". | <ul style="list-style-type: none"> Leadership will conduct a thorough review during huddle and staff meeting of the "Medication Administration- Policy Statement" and "Scheduling Medication Administration" to ensure all key points and updates are clearly identifying timely removal and administration of medication from automated dispensing cabinet (ADC). Unit leadership will utilize the audit provided by pharmacy to inspect compliance and follow up with staff accordingly. Pharmacy audit tool includes undocumented waste and narcotic discrepancies. Policy review and sign in sheet will be returned to Corporate Compliance to validate completion of action plan on or by April 18, 2025 | April 18, 2025 |
| We recommend reeducating RNs to include supporting documentation on the Medication Administration Record for the | <ul style="list-style-type: none"> Leadership will conduct a thorough review during huddle and staff meeting of the "Medication Administration- Policy Statement" and | April 18, 2025 |

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| <p>reason the total dose removed was wasted.</p> | <p>"Scheduling Medication Administration" focusing on the proper procedure for documenting medication waste, including the requirements to specify the reason for the waste and accurately reflect this in the medication administration records.</p> <ul style="list-style-type: none"> • Unit leadership will utilize the audit provided by pharmacy to inspect compliance and follow up with staff accordingly. Pharmacy audit tool includes undocumented waste and narcotic discrepancy. | |
|--|---|--|

cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: February 11, 2025

From: Mario Salceda-Cruz, Chief Operating Officer, MPG^{DS}
Esther Surujon, Chief Financial Officer, MPG^{ES}

Subject: **Action Plan: COMPLIANCE AUDIT FOR UROLOGY EVALUATION AND MANAGEMENT AND PROCEDURES FOR MEMORIAL PHYSICIAN GROUP PROFESSIONAL CODING AND BILLING**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|--|---|---------------------------|
| We recommend that MPG Business Office correct and rebill or refund accounts as appropriate. | Account refunded | 03/31/2025 |
| We recommend that the Administrative Director of Urology coordinate with the Auditor of Coding Compliance Education to conduct a reeducation session for the providers on documentation guidelines, requirements for telehealth, and to have the providers re-review the MPG Copy and Paste Policy | Auditor of Coding Compliance/Education will conduct a reeducation session for the Urology providers on documentation guidelines, requirements for telehealth, and copy and paste. | 05/30/2025 |

cc: Shane Strum, Interim President and CEO, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: March 12, 2025
From: Mario Salceda-Cruz, Chief Operating Officer, MPG 
 Esther Surujon, Chief Financial Officer, MPG 
Subject: **Action Plan: COMPLIANCE AUDIT OF ORTHOPEDIC SURGERY
 EVALUATION AND MANAGEMENT SERVICES FOR MEMORIAL
 PHYSICIAN GROUP PROFESSIONAL CODING AND BILLING**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|--|---|---------------------------|
| We recommend that Memorial Physician Group (MPG) Business Office correct and rebill or refund accounts as appropriate. | MPG Business Office will correct and rebill or refund accounts as appropriate. | 04/30/2025 |
| We recommend that the MPG Business Office reeducate providers on medical record documentation, coding, and billing to support medical necessity and services billed. | Auditor of Coding Compliance/Education will conduct a reeducation session for the providers on documentation guidelines, coding, and billing to support medical necessity and service billed. | 05/30/2025 |

cc: Shane Strum, Interim Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: February 14, 2025

From: Felicia Turnley, Chief Executive Officer, MHP *F. Turnley*
Patrick Connor, Chief Financial Officer, MHP *P. Connor*

Subject: Action Plan: FOLLOW-UP COMPLIANCE AUDIT OF THE IMPORTANT MESSAGE FROM MEDICARE (IM) NOTICE AT MEMORIAL HOSPITAL PEMBROKE

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

| Recommendations | Response/Action Plan | Estimated Completion Date |
|---|---|--|
| We recommend that the Patient Financial Services (PFS) management continue to provide ongoing reeducation to staff on Medicare requirements of providing the initial IM including the required timeframe, necessary required documentation and ensure that the IM is maintained in the patient's medical records. | Staff education to be completed during huddles and via e-mail communication for those unable to attend. Reviewed during annual performance review of competencies individually with staff assigned to visit patients in the EDs and on patient floors. Training session during Team Lead meeting on 04/14/25. Staff Meeting training scheduled for 04/21/25 and 04/25/25. | 03/31/25 Annually 04/30/25 |
| We recommend the PFS management continue to perform regular prospective reviews on Medicare and Medicare advantage inpatient accounts to ensure compliance with the completion of Medicare requirements. | PFS Managers will audit 50 IMM accounts for compliance monthly. Inconsistencies will be assessed and staff coached. | March 31, 2025 and monthly thereafter Ongoing |

| | | |
|--|--|--|
| <p>We recommend that the Case Management (CM) management continue to provide ongoing reeducation to staff on Medicare requirements of providing the follow up IM including the required timeframe, necessary required documentation and ensure that the IM is maintained in the patient's medical records.</p> | <p>Education as routine topic during monthly staff meetings to confirm all staff members including new staff, are up to date with the regulations and requirements.</p> <p>First meeting 2/27/25</p> | <p>Monthly through 7/31/25</p> <p>Added to agenda thereafter based on monthly audit findings</p> |
| <p>We recommend the CM management continue to perform regular prospective reviews on Medicare and Medicare advantage inpatient accounts to ensure compliance with the completion of Medicare requirements.</p> | <p>Audits to be conducted monthly on 50 accounts to assure compliance and improvement.</p> | <p>Ongoing</p> |

cc: Shane Strum, Interim Chief Executive Officer, MHS

MEMORIAL HEALTHCARE SYSTEM

COMPLIANCE AND AUDIT DEPARTMENT POLICY

Date: July 2000

Date Reviewed: August 2001; May 2002; May 2003; June 2004; May 2005; January 2007; September 2009; September 2011; August 2013; July 2021; July 2023; February 2025

Date Revised: May 2005; September 2011; February 2025

Title: **POLICY NO. 1-A: Charter**

Purpose: To establish the Compliance and Audit Department mission, access to records, and audit approach

Policies:

I. Mission

The Compliance and Audit Department's (Compliance and Audit) mission is to construct and maintain a Corporate Compliance Program to be followed by South Broward Hospital District employees and agents which is reasonably capable of reducing the prospect of criminal conduct. The Program will include: (1) The establishment and maintenance of compliance standards and procedures to be followed by employees and agents; (2) Assurance that substantial discretionary authority is not delegated to individuals whom the organization knew, or should have known through the exercise of due diligence, had a propensity to engage in illegal activities; (3) Effective communication of the standards and procedures to all employees and agents; (4) Maintenance of monitoring and auditing systems to detect criminal conduct by employees and agents without fear of retribution; and (5) Steps to respond appropriately to detected offenses and to prevent further similar offenses.

Compliance and Audit's mission is also to provide the Board of Commissioners (Board), the Compliance and Audit Committee of the Board, the Chief Executive Officer, and the Administrators of the facilities of Memorial Healthcare System (MHS), with an independent, risk-based, and objective appraisal of the adequacy of internal controls and MHS operations.

Compliance and Audit will be an independent function reporting to the Audit and Compliance Committee and the Chief Executive Officer. The Compliance and Audit function enhances governance, risk management, and controls processes, and provides assurance, advice, insight, and foresight for the Board and Senior Management decision-making and

oversight, provides reputation and credibility with stakeholders, and serves public interest.

II. Access to Records, Information, and Reports

The Board authorizes Compliance and Audit be granted full and complete, unrestricted access to all MHS functions, records, data, physical properties, and personnel relevant and pertinent to carry out the compliance and audit functions. Compliance and Audit will be kept apprised of all significant changes to accounting, clinical, or management of information systems. Compliance and Audit will be kept apprised of all outside audit engagements, including those performed by governmental agencies. Resulting reports will be made available to Compliance and Audit.

Records and information given to Compliance and Audit will be handled in the same prudent manner as by those employees normally accountable for them as prescribed by the Institute of Internal Auditors' Code of Ethics (See Compliance and Audit Department Policy 1-C).

III. Authority Limited

The Board grants the Compliance and Audit function the authority to provide the Board and senior management with objective assurance. Compliance and Audit's authority is created and supported by its direct reporting to the Board, which allows for unrestricted access to the Board. Compliance and Audit has no direct responsibility or any authority over any of the activities or operations that they review. Except for the establishment and maintenance of the compliance standards and procedures, they will not develop or install procedures, prepare records, or engage in activities which would normally be reviewed by internal auditors. The Board authorizes Compliance and Audit to allocate resources, including personnel within or outside the organization, set the frequency, subjects and scope of audit work, audit techniques utilized, and issue communications to accomplish audit objectives. It is the role of management to establish and maintain the internal controls necessary to safeguard the assets of MHS. Recommendations on standards of control applicable to a specific activity may be included in a written report of audit findings which is provided to operations and financial management for review and implementation.

Independence, Organizational Position, and Reporting Relationships

The Chief Compliance and Internal Audit Officer will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The Chief Compliance and Internal Audit Officer will report functionally to the Board and administratively on day-to-day operations to the President and Chief Executive Officer. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board, when necessary, without interference and supports the auditors' ability to maintain objectivity.

The Chief Compliance and Internal Audit Officer will confirm to the Board, at least annually, the organizational independence of the Compliance and Audit function. If the governance structure does not support organizational independence, the Chief Compliance and Internal Audit Officer will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Compliance and Internal Audit Officer will disclose to the Board any interference auditors encounter related to the scope, performance, or communication of Compliance and Audit work and its effectiveness.

Changes to the Charter

Circumstances may justify a follow-up discussion between the Chief Compliance and Internal Audit Officer, Board, and senior management on the Compliance and Audit charter. Such circumstances may include but are not limited to a significant acquisition or reorganization within the organization, changes in the Chief Compliance and Internal Audit Officer, Board, and/or senior management, changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates, or new laws or regulations that affect the scope of MHS compliance and internal audits.

Board Oversight

Board responsibilities are outlined in the Board Charter. To establish, maintain, and ensure that MHS's Compliance and Audit function has sufficient authority to fulfill its duties, the Board will discuss with the Chief Compliance and Internal Audit Officer and senior management other topics that should be included in the Compliance and Audit charter, approve the Compliance and Audit function's charter, periodically review the Compliance and Audit charter with the Chief Compliance and Internal Audit Officer to consider changes affecting the organization, approve the risk-based Compliance and Audit Work Plan, collaborate with senior management to determine the qualifications and competencies the organization expects in a Chief Compliance and Internal Audit Officer, authorize the appointment and removal of the Chief Compliance and Internal Audit Officer, approve the remuneration of the Chief Compliance and Internal Audit Officer, review the Chief Compliance and Internal Audit Officer's performance, and determine whether scope or resource limitations are inappropriate.

Chief Compliance and Internal Audit Officer Roles and Responsibilities

Ethics and Professionalism - The Chief Compliance and Internal Audit Officer will ensure that compliance and internal auditors conform with Audit Standards and the principles of Ethics and Professionalism that are integrity, objectivity, competency, due professional care, and confidentiality. Auditors must understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able

to recognize conduct that is contrary to those expectations. Auditors are to encourage and promote an ethics-based culture in the organization and report organizational behavior that is inconsistent with the ethical expectations, as described in the MHS Code of Conduct.

Objectivity

The Chief Compliance and Internal Audit Officer will ensure that the Compliance and Audit function remains free from all conditions that threaten the ability of compliance and internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Compliance and Internal Audit Officer determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Compliance and internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively. Auditors believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance. Auditors will have no direct operational responsibility or authority over any of the activities they review.

Accordingly, compliance and internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment. Such activities include assessing specific operations for which they had responsibility within the previous year, performing operational duties, approving or initiating transactions external to the audit function, and directing the activities of any South Broward Hospital District or MHS employee that is not employed by the Compliance and Audit function. Compliance and Internal auditors will disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, maintain objectivity in gathering, evaluating, and communicating information, fairly assess all available and relevant facts and circumstances and take necessary precautions to avoid conflicts of interest, bias, and undue influence.

IV. Audit Approach

Audits will be conducted according to an Annual Risk-Based Work Plan that considers the input of the Board and senior management approved by the Audit and Compliance Committee. Special audits may be conducted at the discretion of the Board, Chief Executive Officer, or the Chief Compliance and Internal Audit Officer. Reviews of and adjustments to the Work Plan, as necessary, in response to changes in the healthcare industry and MHS's business, risks, operations, programs, systems, and controls.

Audits will generally be preceded by an entrance conference with the department head and/or administrator with responsibility for the area being audited. Exit conferences will be held with the same individuals at the close of the audit, prior to the issuance of the report, to allow those

individuals an opportunity to respond to the audit findings. The administrator and chief financial officer with responsibility for the area being audited are expected to respond to the findings, with recommendations for corrective action, within 10 days of the exit conference.

Compliance and Audit will issue its report to the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel (if warranted) and the Administrator(s) and Chief Financial Officer(s) responsible for the area audited.

Six months following the issuance of the report, the department head and/or administrator with responsibility for the area audited will report to the Compliance and Audit department the status of the recommendations. Follow up on engagement findings to confirm the implementation and recommendations and action plan items were implemented and effective should be part of the report narrative. Follow up review results are communicated to the Board and senior management.

A quarterly summary of the Compliance and Audit reports will be presented by the Chief Compliance and Audit Officer to the Compliance and Audit Committee.

Managing the Compliance and Internal Audit Function

The Chief Compliance and Internal Audit Officer has the responsibility to ensure the Compliance and Audit function collectively possesses or obtains knowledge or skill and other competencies and qualifications needed to meet the requirements of auditing standards.

The Chief Compliance and Internal Audit Officer has the responsibility to identify and consider trends and emerging issues that could impact MHS and communicate them to Board and senior management. Emerging trends that foster successful auditing practices will be considered and established.

Relevant MHS policies and procedures will be adhered to unless conflicting with the Audit and Compliance charter. If a conflict should exist, resolution should be documented and communicated to the Board and senior management.

The Compliance and Audit function will coordinate activities with the work of other internal or external providers of assurance and advisory services. Reliance on the internal or external providers work will be considered. If coordination or reliance cannot be achieved, it will be communicated to senior management and if needed, to the Board.

Communication with the Board and Senior Management

The Chief Compliance and Internal Audit Officer will report regularly to the board and senior management regarding significant revisions to the Compliance and Audit Work Plan and budget, impairments to independence, significant risk exposures and control issues including fraud risks, and management's responses to risk that is determined to be unacceptable or greater than MHS's risk tolerance levels.

Approved by the Board members at the Audit and Compliance Committee meeting on [date].

Acknowledgments/Signatures

Chief Compliance and Internal Audit Officer

Date

Audit & Compliance Chair

Date

Chief Executive Officer [optional]

Date

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, *Chairwoman* • Steven Harvey, *Vice Chairman* • Douglas A. Harrison, *Secretary Treasurer*
Brad Friedman • Dr. Luis E. Orta • Laura Raybin Miller
Shane Strum, *President and Chief Executive Officer*

Group: S.B.H.D. Finance Committee **Date:** April 17, 2025
Chairwoman: Ms. Elizabeth Justen **Time:** 4:00 p.m.
Vice Chairman: Mr. Steven Harvey
Location: Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Ms. Elizabeth Justen, Mr. Douglas Harrison, Mr. Brad Friedman, Ms. Laura Miller, Mr. Shane Strum, Mr. Alan Whaley, Ms. Linda Epstein, Mr. David Smith, Ms. Margie Vargas, Mr. Jeffrey Sturman, Mr. Joseph Stuczynski, Mr. Irfan Mirza, Mr. Veda Rampat, Mr. Saul Kredi, Ms. Cheryl Boucher, Ms. Sarah Griffith, Mr. Richard Probert, Mr. Gary Wyniemko (NEPC), Mr. David Moore (NEPC), Ms. Stephanie Kinchla (NEPC), Ms. Denise Miller (Willis Towers Watson), and Mr. Jason Nadell (Willis Towers Watson)

SUBJECT: Public Meeting Notice Requirement

Ms. Justen called the meeting to order at 4:15 p.m. Ms. Epstein certified the meeting was properly noticed.

SUBJECT: Board Roll Call

Present: Ms. Elizabeth Justen
Mr. Douglas Harrison
Mr. Brad Friedman
Ms. Laura Miller (via Webex)

SUBJECT: Public Comments

Ms. Justen opened the floor for public comments, of which there were none.

SUBJECT: Retirement Plan Actuarial Valuation Report and Presentation

Ms. Miller from Willis Towers Watson (WTW), the District's pension actuary, presented the annual actuarial valuation report and summary presentation for the Retirement Plan for Employees of South Broward Hospital District. Key report highlights included the following:

- Participants: 8,132 (down -1.5% from prior year)
- Discount Factor: 7.00%
- Minimum Required Cash Contributions: FY25 \$25.7M
- GASB 68 Expense / (Income): FY25 \$28.1M
- Cash Contributions: FY25 (estimate): \$47.5M
- Funded Status FYE 2025: 98.6%

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

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WTW reported the Plan remains actuarially sound, assuming the District continues to fund the Plan in accordance with the assumptions and the required contribution amounts shown in their actuarial report.

A motion was made and seconded to recommend the Board of Commissioners accept the actuarial report for the pension plan.

The Finance Committee recommends that the Board of Commissioners accepts the Actuarial Report from Willis Towers Watson for the Retirement Plan for Employees of the South Broward Hospital District for the 2024/2025 plan year

SUBJECT: **Financial Assistance Policy and IRS Section 501(r) Update**

Annually, the Board of Commissioners reviews and adopts a Financial Assistance Policy. The Affordable Care Act of 2010 created Section 501(r) of the Internal Revenue Code that includes added requirements for tax-exempt hospitals related to Community Health Needs Assessments, Financial Assistance Policies, Limitations on Charges and Billing and Collection Policies. Ms. Cheryl Boucher reviewed changes to the financial policy and the committee requested that these changes be reviewed by the Legal department and brought back to next month's meeting for approval.

No action is required by the Board of Commissioners.

SUBJECT: **Standard Practice – Transfer / Access to Emergency Care**

This item was postponed until next month.

SUBJECT: **Market Update**

Mr. Wyniemko presented a brief market update for March 2025. He noted that March was a rough month for stocks, with uncertainty over tariff policy driving volatility. Technology and growth stocks experienced higher levels of volatility on concerns surrounding AI and valuations. In contrast, falling interest rates led to rising bond prices and positive returns for most fixed income sectors.

The market update was provided for informational purposes only.

No action is required by the Board of Commissioners.

SUBJECT: **Operating Funds Monthly Flash Report**

Ms. Wyniemko reviewed the Monthly Flash Performance Report for the Operating Funds for the month ending March 31, 2025. The portfolio returned 0.2% for the month and 7.7% for the fiscal year-to-date, compared to policy benchmark returns of 0.5% and 8.5%, respectively. Total assets in the Operating Funds were reported at \$2.67 billion.

The monthly flash report was presented for informational purposes only.

No action is required by the Board of Commissioners.

SUBJECT: **Retirement Plan Monthly Flash Report**

Ms. Wyniemko reviewed the Monthly Flash Performance Report for the Retirement Plan for the month ending March 31, 2025. The plan returned -2.6% for the month and 7.6% fiscal year-to-date, compared to policy benchmark returns of -2.6% and 9.9%, respectively. Total assets in the Retirement Plan were reported at \$1.04 billion.

The monthly flash report was presented for informational purposes only.

No action is required by the Board of Commissioners.

SUBJECT: **Defined Contribution Plans Monthly Flash Report**

Ms. Kinchla reviewed the Monthly Flash Performance Report for Defined Contribution Plans. As of March 31, 2025, plan assets totaled \$1.71 billion, with the largest concentration in JPMorgan blend target date funds, representing 62.5%.

The monthly flash report was presented for informational purposes only.

No action is required by the Board of Commissioners.

SUBJECT: **Operating Plan - Asset Allocation Discussion**

Mr. Wyniemko and Mr. Moore presented various asset allocation mixes for the Operating Fund portfolio, showing the impact of higher allocations to equity and alternate asset classes. There was a demonstration of NEPC's Skyan Enterprise Risk Management (ERM) tool. There will be additional discussions for the Committee and management to decide on a new asset allocation mix.

No action is required by the Board of Commissioners.

SUBJECT: **Employee Special Discretionary Recognition Proposal**

Mr. Strum and Ms. Vargas discussed with committee a one-time Employee Special Discretionary Recognition payout for fiscal year 2025. Some discussion ensued. A motion was made and seconded to request Board of Commissioners approval of a one-time Employee Special Discretionary Recognition payout for fiscal year 2025.

**The Finance Committee recommends the Board of Commissioners
approves a one-time Employee Special Discretionary Recognition
payout for fiscal year 2025**

SUBJECT: **Financial Report**

Mr. Mirza presented an overview of the Financial Results for the month and year ending March 31, 2025. The committee reviewed and discussed these operating results. The financial reports will be formally presented to the full Board at its regular meeting on April 23, 2025.

No action is required by the Board of Commissioners.

SUBJECT: **New Business**

The following items were discussed with the committee:

- (i) Same Day Surgery Center at Memorial Hospital West

Mr. Stuczynski discussed the purchase of the Same Day Surgery Center at Memorial Hospital West. Some discussion ensued. A motion was made and seconded to request Board of Commissioners approval for the purchase of the Same Day Surgery Center at Memorial Hospital West.

The Finance Committee recommends the Board of Commissioners approves the purchase of the Same Day Surgery Center at Memorial Hospital West

- (ii) Mr. Sturman discussed the annual renewal of the Microsoft Licenses.

No action is required by the Board of Commissioners.

Mr. Friedman left the meeting at 5:25 p.m.
The Finance Committee adjourned at 6:23 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Elizabeth Justen".

Elizabeth Justen
Chairwoman, Finance Committee



Retirement Plan for Employees of South Broward Hospital District

Actuarial Valuation Review

April 2025



Agenda

Purpose of today's meeting: Review the assumption experience study, funding and GASB valuation results

Action: Finance Committee approval of the May 1, 2024 funding valuation in advance of April Board of Commissioners meeting

Agenda

- Introduction and executive summary
- Funding
- Financial reporting



Denise Miller, EA
Lead Actuary



Jason Naddell, FSA, EA
Senior Support

Introduction and Executive Summary

Pension Plan Overview

- Plan is closed to new employees hired or rehired after 10/31/2011
- Payment forms include monthly annuities and unlimited lump sums (effective 8/1/2024)
- Reduction in number of active participants and total participants
- Higher than expected increase in average plan eligible compensation

| Participant statistics as of May 1 | 2023 | 2024 | Change |
|------------------------------------|-----------|-----------|--------|
| Active | 2,937 | 2,675 | -8.9% |
| Deferred | 2,234 | 2,179 | -2.5% |
| In Payment | 2,961 | 3,158 | +6.7% |
| Total | 8,132 | 8,012 | -1.5% |
| Average active compensation | \$100,800 | \$107,400 | +6.5% |

Funding
Census data is as of 5/1/2024

| Category | Value |
|--|-------|
| Actuarial Value of Assets | 974.6 |
| Actuarial Accrued Liability (Total) | 988.5 |
| Actuarial Accrued Liability Components | |
| Component 1 | 435.8 |
| Component 2 | 119.4 |
| Component 3 | 433.3 |

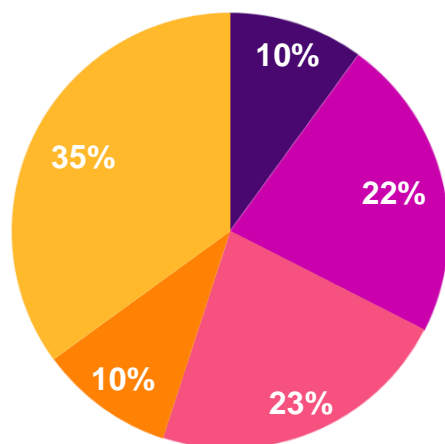
Notes

- Actuarial Accrued Liability (AAL) is the benefit obligation for funding valuation purposes and was measured with a 7.0% valuation interest rate
- Actuarial Value of Assets (AVA) is used for funding valuation purposes and phases in investment gains and losses over 5 years

Assets

TARGET ASSET ALLOCATION AS OF MAY 1, 2024

■ US Equity ■ Int'l Equity - Growth
 ■ Int'l Equity - Other ■ Defensive Equity
 ■ Fixed Income



| \$000s | April 30, 2023 | April 30, 2024 |
|-----------------------------------|------------------|------------------|
| Beginning fair value of assets | \$855,992 | \$889,120 |
| Contributions | 39,894 | 43,650 |
| Investment return | 32,548 | 100,505 |
| Benefit payments – annuities | (36,865) | (41,153) |
| Benefit payments – lump sums | (2,345) | (2,190) |
| Administrative expenses | <u>(105)</u> | <u>(111)</u> |
| Net change | 33,128 | 100,701 |
| Investment manager fee accrual | N/A | (1,151) |
| Ending fair value of assets (FVA) | \$889,120 | \$988,670 |
| Investment return | 3.8% | 11.2% |
| Actuarial value of assets (AVA) | \$910,783 | \$974,644 |
| AVA / FVA | 102.4% | 98.6% |

- Actuarial value of assets incorporates a smoothing of investment gains and losses over 5 years

Assumption Experience Study

- An assumption experience study was performed in late 2024 to review the plan's experience compared to the assumptions over the past five years for the following:
 - Salary increase
 - Termination rates
 - Retirement rates
- Salary increases were about 2% higher than assumed resulting in losses
- Actual terminations were about 20% less than assumed resulting in losses
- Actual retirements were about 25% lower than assumed and generally later than assumed resulting in gains
- Proposed assumption changes to better reflect past and anticipated future experience resulted in the following impacts:
 - +2.6M increase in minimum required contribution
 - +3.3M increase in GASB expense

Cash Contributions

| \$ millions | Plan Year Contributions | | | |
|-------------------------|-------------------------|-----------|----------|-----------------|
| | 2023/2024 | 2024/2025 | | Est'd 2025/2026 |
| Valuation interest rate | 6.6% | 7.0% | Change | 7.0% |
| Minimum Required | \$36.7 | \$25.7 | (\$11.0) | \$19.4 |
| Actual/Assumed | \$43.7 | \$47.5 | \$3.8 | TBD |

- \$11.0M decrease in minimum required contribution under Florida State Statutes from 2023/2024 plan year to 2024/2025 mainly attributable to:
 - Increase in valuation interest rate
 - Partially offset by the net impact of new demographic and salary increase assumptions
- Estimated plan year 2025/2026 contribution is \$6.3M lower than 2024/2025 mainly attributable to:
 - Estimated assets exceed obligations which extinguishes all past amortization bases leaving only the normal cost and assumed administrative expenses
 - Unlimited lump sum option plan change effective 8/1/2024 and first recognized in 5/1/2025 valuation is about \$1.2M of the decrease
 - Assumes adoption of new FRS mortality at May 1, 2025 (~\$0.1M)

The plan is estimated to be overfunded for 2025/2026 resulting in a lower required cash contribution

GASB 68 Expense/(Income)

Operating Expense

| \$ millions | Fiscal Year Ending April 30 | | | | | | |
|-------------------------|-----------------------------|--------|----------|------------|----------|------------|----------|
| | 2024 | 2025 | | Est'd 2026 | | Est'd 2026 | |
| Discount rate | 6.6% | 7.0% | | 7.0% | | 7.0% | |
| Demographic assumptions | Old | Old | | Old | | New | |
| Lump sum plan change | No | No | Change | No | Change | Yes | Change |
| Expense/(Income) | \$39.0 | \$28.1 | (\$10.9) | \$9.4 | (\$18.7) | (\$12.8) | (\$22.2) |

- FYE 2024 to FYE 2025: **\$10.9M decrease**
 - Attributable to increase in discount rate from 6.6% to 7.0% and asset gains
- FYE 2025 to estimated FYE 2026 before new assumptions: **\$18.7M decrease**
 - Reduction mainly attributable to completed recognition of a FYE 2021 investment loss base
- Estimated FYE 2026 to FYE 2026 with unlimited lump sum plan change and new assumptions: **\$22.2M decrease**
 - Net \$6.1M increase from assumption changes
 - \$2.8M of \$6.1M is due to an assumed additional 2% merit increase for 2025
 - Liability changes from plan amendments are not amortized under GASB
 - \$28M estimated liability and GASB expense reduction
 - Propose to review and possibly update lump sum election assumption of 50% for April 30, 2025 measurement date
 - If revised assumption is ½ of assumed rate, impact on expense would be reduced accordingly

Funding

Cash Contributions

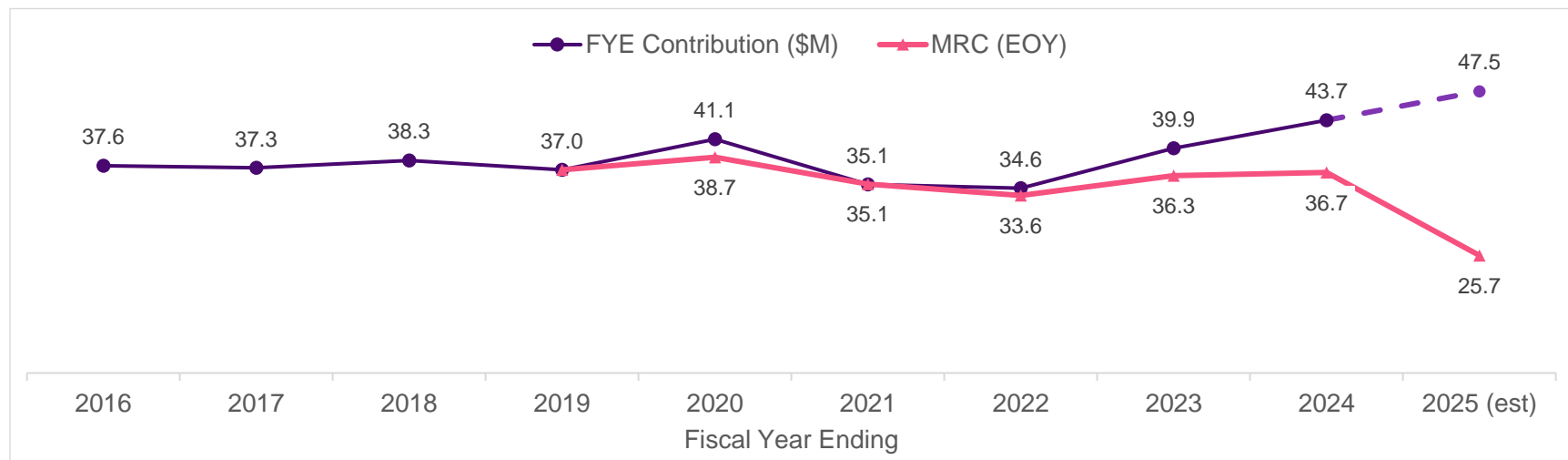
Required minimum contribution under State of Florida Statutes

| \$000s | Contribution for Plan Year | |
|--|----------------------------|-----------------|
| | 2023/2024 | 2024/2025 |
| Valuation interest rate | 6.60% | 7.00% |
| Required contribution | | |
| a. Normal cost (including expected expenses) | \$19,997 | \$19,630 |
| b. Amortization of unfunded actuarial accrued liability ¹ | 14,416 | 4,344 |
| c. Interest | <u>2,271</u> | <u>1,679</u> |
| d. Total | \$36,684 | \$25,653 |
| Actual (or assumed) benefit payments | \$43,344 | \$46,619 |
| Actual (or assumed) contribution funded | \$43,650 | \$47,500 |
| 1. Amortization based on average future working life expectancy; currently 9 years using new assumptions | | |

Primary reasons for the lower contribution requirement for 2024/2025:

- \$45.4M liability gain due to increase in valuation interest rate from 6.60% to 7.00%; offset by
- Net \$10.0M liability loss due to new salary scale, retirement and termination rate assumptions

Contribution History



Factors contributing to increasing costs and/or higher volatility

- Closed and aging population
- Change in valuation interest rate
 - 7.50% to 7.00% on 5/1/2015
 - 6.75% on 5/1/2020
 - 6.60% on 5/1/2021
 - 7.00% on 5/1/2024
- Unlimited lump sum plan change

| \$000s | Actual FYE 2025 | Projected FYE 2026 |
|-----------------------------------|--------------------|-----------------------|
| Valuation Interest Rate | 7.00% | 7.00% |
| Market Value of Assets (MVA) | 988,670 | 1,059,200 |
| Actuarial Value of Assets (AVA) | 974,644 | 1,061,100 |
| Actuarial Accrued Liability (AAL) | 988,504 | 1,004,200 |
| Unfunded AAL (AAL – AVA) | 13,860 | (56,900) |
| Funded % (AVA/AAL) | 98.6% | 105.7% |

Next Steps

- WTW to attend SBHD Board of Commissioners meeting in April
- WTW to file the May 1, 2024 valuation report with the State along with the Required State of Florida disclosures
- MHS to post final valuation report on MHS website
- Recommend review of funding strategy given plan's emergence into a surplus position

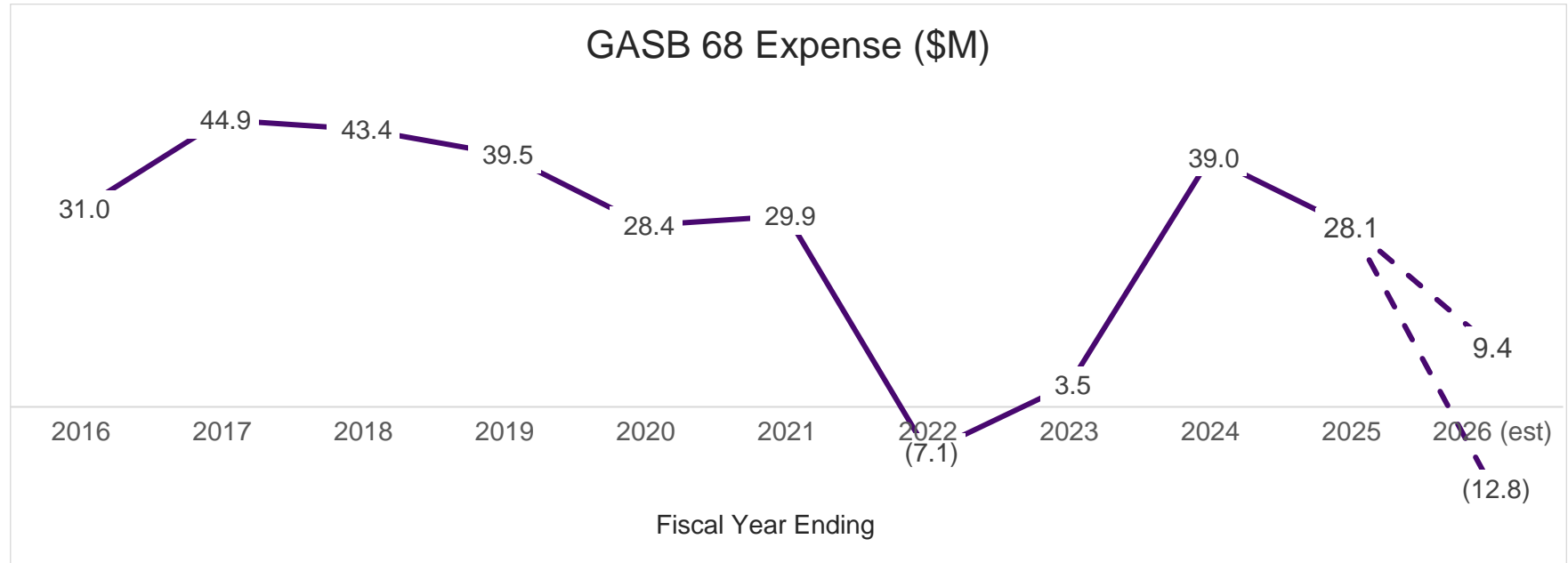
Financial Reporting

GASB 68 Financial Position and Expense

| \$000s | Fiscal Year Ended | |
|---|----------------------|----------------------|
| | 4/30/2024 | 4/30/2025 |
| Discount Rate/Assumed Asset Return | 6.60%/6.60% | 6.60%/7.00% |
| Valuation/Census Date | 5/1/2022 | 5/1/2023 |
| Measurement Period | 5/1/2022 – 4/30/2023 | 5/1/2023 – 4/30/2024 |
| Investment return during measurement period | 3.8% | 11.2% |
| Fiduciary Net Position (FNP) | 889,120 | 988,670 |
| Total Pension Liability (TPL) | 1,017,249 | 1,030,614 |
| Net Pension Liability (TPL – FNP) | 128,129 | 41,945 |
| Funded Percentage (FNP / TPL) | 87.4% | 95.9% |
| GASB 68 Pension Expense | \$39,022 | \$28,148 |

- Increase in discount rate from 6.6% to 7.0% and higher than assumed investment return resulted in a reduction in GASB expense
- Due to required actuarial cost method for GASB, the GASB funded status is less than the funded status under the State of Florida funding rules

GASB Expense History



- Projected liability assumes extra 2% merit pay increase effective in 2025 to align with MHS retention efforts
- Projected 2026 expense assumes 0.5% return on assets for the period from 1/1/2025 to 4/30/2025
- Final assets (with accrued investment offset) as of April 30, 2025 will determine pension expense/(income) for FYE 2026
- Unlimited lump sum plan change estimated to reduce expense by \$28.3M and is fully recognized in FYE 2026
 - Estimate assumes a 50% take rate, a lower election rate will increase expense

| \$M | Actual | Projected |
|--------------------------|-------------|---------------|
| FYE | 2025 | 2026 |
| Discount Rate | 7.00% | 7.00% |
| Fiduciary Net Position | 988.7 | 965.1 |
| Total Pension Liability | 1,030.6 | 1,071.3 |
| Funded Percentage | 95.9% | 98.9% |
| Pension Expense/(Income) | 28.1 | (12.8) |

Next Steps

- May 2025: MHS provides final April 30, 2025 asset information
- May 2025: MHS provides update on actual lump sum election experience and WTW to work with MHS to determine ongoing lump sum election rate assumption
- June 2025: WTW to provide GASB 67/68 report

Appendix

Actuarial Certification

The results included in this presentation are based upon census data, asset data and plan provisions provided by South Broward Hospital District for the May 1, 2023 and May 1, 2024 valuations. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results in this presentation is dependent upon the accuracy and completeness of the underlying information.

Actuarial assumptions and methods were selected by South Broward Hospital District with the concurrence of WTW. More detailed valuation results, summaries of actuarial assumptions, methods and models, summaries of plan provisions and description of data sources used in developing these results can be found in the May 1, 2024 valuation report dated March 2025. Therefore, such information, and the reliances and limitations of the valuation report and its use, should be considered part of this presentation.

The consulting actuaries meet their “General Qualification Standard for Prescribed Statements of Actuarial Opinion” relating to pension plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC (“WTW”). This presentation is provided subject to the terms set out herein and in our engagement letter signed February 14, 2025 and any accompanying or referenced terms and conditions.

This presentation was developed for the internal use of South Broward Hospital District in connection with its May 1, 2024 funding valuation and 2025/2026 funding and GASB expense projections. It is not intended nor necessarily suitable for other purposes. Further distribution or use of all or part of this material is prohibited without prior written consent. If this presentation is shared with a third party (with or without our permission), such third party recipient is deemed to have agreed that this report contains confidential and proprietary work product of WTW, which owns all related intellectual property rights, the recipient will not have the right to reference or distribute this report to any other party, and the recipient will not place any reliance on this report that would result in the creation of any duty or liability by WTW to such recipient.

Denise Miller, EA
Director, Retirement
April 2025

Jason Naddell, FSA, EA
Senior Director, Retirement

Valuation Purposes and Measurement Periods

| | Funding Valuation | GASB 67 Plan Accounting | GASB 68 MHS Accounting |
|--------------------------|---|--|---|
| Description | Required cash funding for the plan year | <u>Plan</u> financial statements included within MHS' financial report | <u>MHS</u> financial statements included within MHS' financial report |
| Rules | Part VII, Chapter 112 of Florida Statutes | GASB 67 | GASB 68 |
| Year Ending | April 30, 2025 | April 30, 2025 | April 30, 2026 |
| Measurement Date * | May 1, 2024 | April 30, 2025 | April 30, 2025 |
| Measurement Period | May 1, 2024 – April 30, 2025 | May 1, 2024 – April 30, 2025 | May 1, 2024 – April 30, 2025 |
| Liability Valuation Date | May 1, 2024 | May 1, 2024 | May 1, 2024 |
| Census Date | May 1, 2024 | May 1, 2024 | May 1, 2024 |

***Note:** Benefit liabilities for GASB 67 and 68 are projected from the valuation date to the measurement date by adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and for any significant changes in plan demographics that occurred during the measurement period.

May 1, 2024 Participant Data Summary

| | May 1, 2024 | May 1, 2023 | Change |
|--|--------------|--------------|---------------|
| Total membership | | | |
| Active Employees | 2,675 | 2,937 | (8.9%) |
| Retirees and Beneficiaries | 3,158 | 2,961 | 6.7% |
| Terminated Vested | <u>2,179</u> | <u>2,234</u> | <u>(2.5%)</u> |
| Total | 8,012 | 8,132 | (1.5%) |
| Covered Payroll (\$M) | \$287.4 | \$296.1 | (2.9%) |
| Active participant statistics | | | |
| Average Compensation | \$107,428 | \$100,822 | 6.6% |
| Average Age | 57 | 56 | +1 yr |
| Average Service | 20.4 | 19.6 | +0.8 yr |
| Average monthly benefit for inactive participants | | | |
| Retirees & Beneficiaries | \$1,146 | \$1,091 | 5.0% |
| Terminated Vested Participants | \$678 | \$669 | 1.3% |

Observations

- Total participant count decreased 1.5% but active participant count decreased 9%
- Average compensation increased 6.6%
 - Versus ~4.8% expected increase including additional 2% merit increase
- \$2.2M lump sum payments in 2023/2024
 - \$43.3M in total benefit payments

Total Demographic Experience Gains/(Losses)

Salary experience was a major driver of loss experience

| Plan Year | Total G/(L) | Total G/(L) as % of funding obligation | Salary G/(L) | Salary G/(L) as % of funding obligation | Non-Salary G/(L) | Non-Salary G/(L) as % of funding obligation |
|-------------|-------------|--|--------------|---|------------------|---|
| 2023 / 2024 | (\$22.8) | (2.2%) | (\$11.7) | (1.1%) | (\$11.1) | (1.1%) |
| 2022 / 2023 | (21.2) | (2.3%) | (12.7) | (1.4%) | (8.5) | (0.9%) |
| 2021 / 2022 | (28.1) | (3.1%) | (20.0) | (2.2%) | (8.1) | (0.9%) |
| 2020 / 2021 | (5.9) | (0.7%) | 1.4 | 0.2% | (7.3) | (0.9%) |
| 2019 / 2020 | 5.0 | 0.6% | 3.5 | 0.4% | 1.5 | 0.2% |

Dollar amounts in millions

- Non-salary experience generally resulted in losses
 - About half was associated with mortality
- Funding mortality is prescribed by Florida statute
- GASB mortality is selected by MHS/actuary

Salary Increase Assumption

Even without extra 2% temporary merit adjustments, salary progression exceeded assumption

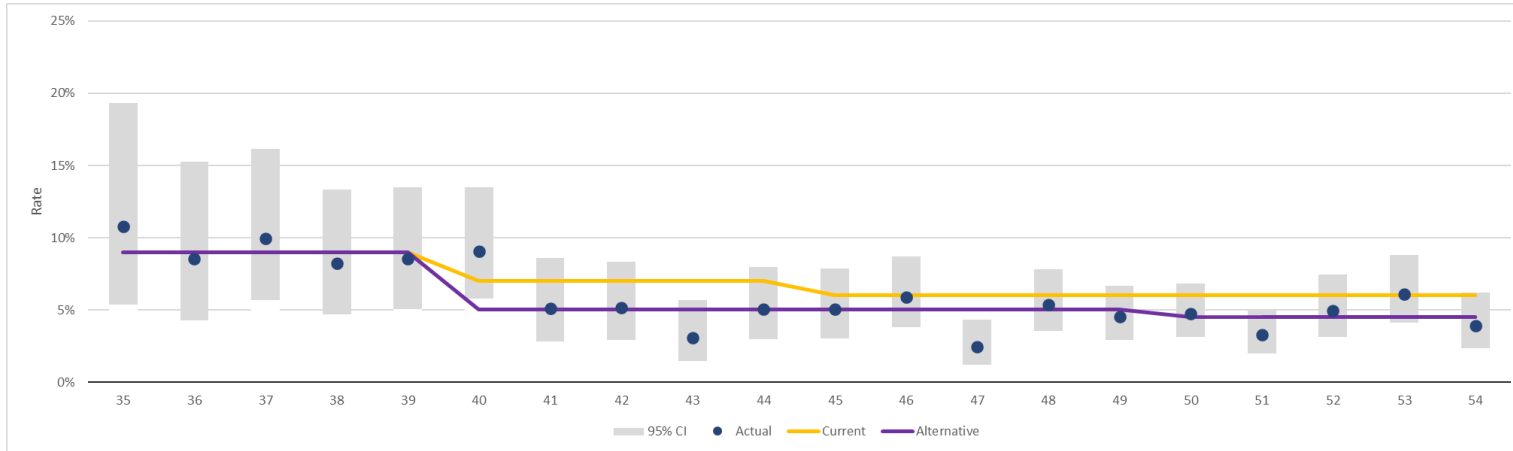
| Age | 5/1/2024 Count | 5/1/2024 Pay (\$M) | Current Assumption | Actual * | Alternative |
|----------|-------------------|-----------------------|-----------------------|----------|--------------|
| Under 35 | 6 | \$0.4 | 6.00% | 6.00% | 6.00% |
| 35 - 39 | 67 | 6.1 | 5.25% | 5.50% | 5.25% |
| 40 - 44 | 216 | 20.7 | 4.00% | 6.10% | 5.00% |
| 45 - 49 | 318 | 38.1 | 3.50% | 5.50% | 4.50% |
| 50 - 54 | 512 | 58.6 | 3.00% | 5.00% | 4.00% |
| 55 - 59 | 663 | 70.5 | 2.50% | 4.70% | 3.50% |
| 60+ | <u>893</u> | <u>93.0</u> | 2.25% | 4.20% | 3.25% |
| Total | 2,675 | \$287.4 | | | |

- Experience supports increasing salary increase rates
- Alternative rates reflect MHS perspective that recent increases were higher than future long-term expectations

* Reflects increase in base pay **excluding** the additional 2% merit increase in effect starting in 2022

Active Termination Assumption

Propose adjustments to reduce non-retirement termination rates

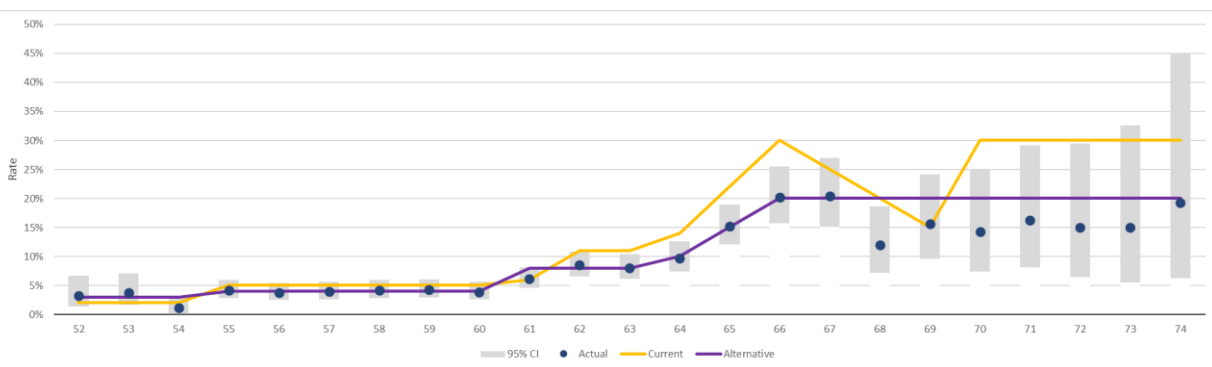


- Actual terminations about 20% lower than expected
- Experience during COVID years was not significantly different
- Termination rates only applicable below age 55 since retirements are assumed to apply from age 55
 - All participants have 10 or more years of service as of 5/1/2024
- Alternative assumption
 - \$5M increase in funding liability
 - \$0.4M increase in funding normal cost

| Non-retirement termination | | | | | |
|----------------------------|------------|------------|-----------------|------|---------------|
| Age | Actual | Expected | Current Assump. | Alt. | Expected Alt. |
| 35 - 39 | 72 | 72 | 9% | 9% | 72 |
| 40 - 44 | 82 | 107 | 7% | 5% | 76 |
| 45 - 49 | 107 | 139 | 6% | 5% | 116 |
| 50 - 54 | <u>118</u> | <u>156</u> | 6% | 4.5% | <u>117</u> |
| Total | 379 | 474 | | | 381 |

Active Retirement Assumption

Propose to reflect 5-year experience in new assumption as compromise between Covid and post-Covid years



- Experience for the five-year period supports lower assumed retirement rates at ages 62 and older and minor adjustments below age 62
- Alternative assumption
 - \$19M decrease in funding liability
 - \$0.7M decrease in funding normal cost

| Age | Actual | Current Rates | Alt. Rates | Expected under Alt. |
|--------------|------------|---------------|------------|---------------------|
| 52 - 54 | 19 | 2% | 3% | 22 |
| 55 - 60 | 181 | 5% | 4% | 179 |
| 61 | 49 | 6% | 8% | 64 |
| 62 - 63 | 123 | 11% | 8% | 118 |
| 64 | 58 | 14% | 10% | 60 |
| 65 | 79 | 22% | 15% | 78 |
| 66 | 70 | 30% | 20% | 69 |
| 67 | 49 | 25% | 20% | 48 |
| 68 | 19 | 20% | 20% | 32 |
| 69 | 20 | 15% | 20% | 26 |
| 70 - 74 | 42 | 30% | 20% | 54 |
| Total | 709 | | | 750 |

Impact on 5/1/2024 Funding Liabilities and Costs

| \$M | Experience | Alt. Termination ¹ | Alt. Retirement | Salary |
|---|------------|----------------------------------|--------------------|----------------|
| Actuarial Accrued Liability (AAL) | \$978.4 | \$983.5 | \$964.2 | \$988.5 |
| Cumulative AAL changes | N/A | \$5.1 0.5% | (\$14.2) (1.5%) | \$10.1 1.0% |
| Amortization period for new bases | 7 yrs | 8 yrs | 9 yrs | 9 yrs |
| Normal Cost (NC) (beginning of year) | \$18.6 | \$19.0 | \$18.3 | \$19.5 |
| Cumulative NC changes | N/A | \$0.4 2.2% | (\$0.3) (1.6%) | \$0.9 4.8% |

Valuation Interest Rate / Expected Return on Assets: 7.00%

¹ Includes impact of removal of disability decrement

Projected Unit Credit actuarial cost method

- Propose to implement changes with May 1, 2024 funding valuation
- Change in AAL is amortized over average future working lifetime (9-years)

Impact on 5/1/2024 GASB 67/68 Liabilities

Propose to implement for the measurement period ending April 30, 2025

| \$M | Experience | Alt. Termination ¹ | Alt. Retirement | Salary |
|--|------------|----------------------------------|--------------------|----------------|
| Total Pension Liability (TPL) | \$1,041.5 | \$1,038.9 | \$1,021.2 | \$1,046.2 |
| Cumulative impact of TPL changes | N/A | (\$2.6) (0.2%) | (\$20.3) (1.9%) | \$4.7 0.5% |
| Service Cost (SC) | \$9.6 | \$10.9 | \$10.6 | \$12.3 |
| Cumulative impact of SC changes | N/A | \$1.3 13.8% | \$1.0 10.4% | \$2.7 28.1% |
| Amortization period for experience gain/losses and assumption changes | 2.40 yrs | 2.63 yrs | 2.90 yrs | 2.90 yrs |
| Est. expense impact for measurement period ending 4/30/2025 (amortization only) | | | | \$1.6 |
| Est. expense impact for measurement period ending 4/30/2026 (SC and amortization) ² | | | | \$4.5 |

¹ Includes impact of removal of disability decrement

² Ignores interest cost impact

Valuation Interest Rate / Expected Return on Assets: 7.00%

Entry Age Normal actuarial cost method

- Straight-line recognition of change in TPL in year of measurement
- Service cost change impacts year following adoption measurement period

Historical Return on Plan Assets

| Period | Actual Return | | |
|-----------|---------------|-----------------|----------------|
| | Market Value | Actuarial Value | Assumed Return |
| 2014/2015 | 4.6% | 7.2% | 7.5% |
| 2015/2016 | (2.0%) | 4.4% | 7.0% |
| 2016/2017 | 10.7% | 5.7% | 7.0% |
| 2017/2018 | 8.5% | 6.0% | 7.0% |
| 2018/2019 | 7.7% | 6.2% | 7.0% |
| 2019/2020 | (1.3%) | 5.0% | 7.0% |
| 2020/2021 | 28.9% | 9.9% | 6.75% |
| 2021/2022 | (3.1%) | 7.9% | 6.6% |
| 2022/2023 | 3.8% | 6.3% | 6.6% |
| 2023/2024 | 11.2% | 7.0% | 6.6% |

- 10-yr average market value return is 6.6% and is 6.6% on an actuarial value basis
- Market value return average over last 5 years is 7.3%

Historical Salary Increases

| Period | Actual | Assumed |
|-----------|--------|---------|
| 2014/2015 | 2.9% | 3.1% |
| 2015/2016 | 4.3% | 3.3% |
| 2016/2017 | 3.3% | 3.5% |
| 2017/2018 | 2.7% | 3.7% |
| 2018/2019 | 3.3% | 4.0% |
| 2019/2020 | 3.3% | 4.2% |
| 2020/2021 | 2.9% | 2.9% |
| 2021/2022 | 8.4% | 2.9% |
| 2022/2023 | 6.5% | 2.8% |
| 2023/2024 | 5.9% | 2.8% |

- Salary increase assumption for 2023/2024 is based on age-graded rates from 6.00% to 2.25% with an assumed average of 2.8%

Overview of Pension Plan Provisions

| | |
|---|--|
| Coverage | Full-time employees hired or rehired before November 1, 2011 |
| Benefit Accrual Rate* – Participants under Prior Plan – Participants under New Plan | {1% of first \$84,520 of final 5-year average pay (F5) plus 1.5% of F5 in excess of \$84,520 but not more than \$203,290 plus 3% of F5 over \$203,290} times years of service {0.75% of F5 up to ½ monthly Social Security Taxable Wage Base* (SSTWB) plus 1.25% of F5 in excess of ½ SSTWB but not more than SSTWB plus 1.75% of F5 in excess of SSTWB} times years of service |
| Compensation | Excludes overtime, bonuses or other special compensation |
| Normal Retirement Age (NRA) | Age 65 & 5 years of service Prior plan participants: age 62 & 20 years of service, or age 55 & 30 years of service, if earlier |
| Normal Payment Form | Single life annuity. Optional forms available. |
| Vesting | 100% after 5 years of service |
| Early Retirement Factors (ERFs) | Age 55 & 10 years of service. For Prior Plan participants age 52 & 20 years of service, if earlier. Accrued benefit reduced by 7.2%/year for first 5 years, then 3.6% per year for next 5 years preceding NRA - e.g., 46% or 56.8% for Prior Plan participants at age 55 depending on years of service (46% for New Plan participants). |
| Death Benefits | Pre-retirement death benefit of 50% survivor annuity payable to spouse if participant was employed and age 55 & 10 years of service, or had 20 years of service at death |
| Disability Benefits | Accrued benefit (automatic 100% vesting) payable at disability (total and permanent). Subject to reduction if payments begin prior to NRA. |

* The \$84,520 and \$203,290 integration levels apply for the 2024/2025 plan year and increase by 3% per year. Effective for new hires as of 5/1/2010, the accrual rate changed to the New Plan formula shown above. SSTWB for 2024/2025 plan year is \$168,600.



Memorial Healthcare System

FINANCIAL ASSISTANCE POLICY

Revised April ~~2024~~2025

I. FINANCIAL ASSISTANCE POLICY

Any Patient may ask for financial assistance. Anyone else who is responsible for paying for the patient's care may also ask for financial assistance. All emergency and medically necessary care are covered under the financial assistance policy. Memorial Healthcare System (MHS) provides screening for and treatment of emergency medical conditions in accord with the Standard Practice titled "Transfer/Access to Emergency Care", attached to this policy. In cases where this Standard Practice does not apply, requests to schedule Memorial Healthcare services in advance are reviewed for financial assistance on a case by case basis. Patients seeking Emergency Care will be treated without regard for whether they are eligible for Financial Assistance under this policy.

This policy applies to all South Broward Healthcare District facilities. Note that Memorial Ambulatory Surgery Centers are not included because they are either not owned or operated by the South Broward Hospital District.

This Financial Assistance Policy will help you understand when financial assistance will be given.

Financial Assistance may mean charity care (as defined by either the State of Florida or District policies) or certain uninsured discounts, as explained further below.

For charity care, the patient or responsible party must not be able to pay for the patient's medical care. The ability to pay is determined by using the Federal Poverty Guidelines (FPG), patient or guarantor income, and family size. The federal government updates these guidelines annually. The ability to pay is also determined by examining assets and, if required, liabilities and potential litigation results for pending third party liability claims.

When asked, MHS will determine if the patient or responsible party has the ability to pay. This examination, or screening, for financial assistance is free of charge. The amount of the requested financial assistance must be more than \$500, for all accounts combined.

Patients may elect not to provide financial documentation but instead be provided financial assistance in the form of discounted self-pay rates. These are available for Emergency Department visits as well as most outpatient procedures and inpatient stays.

Financial assistance will not be granted to any uninsured non-resident of the South Broward Hospital District for non-emergent, medically necessary care that can be provided by their local safety net facility. If no safety net provider exists for that patient, financial assistance will be determined on a case by case basis.

The rest of this Financial Assistance Policy provides more information about how you may ask for financial assistance. It tells you when you will be considered eligible to get financial assistance. It tells you how much financial assistance you will get when you meet the requirements of this Financial Assistance Policy.

II. ELIGIBILITY CRITERIA AND DISCOUNT AMOUNTS

- A. ~~MHS will perform credit and asset checks to determine the patient's or responsible party's ability to pay.~~ MHS will gather information about a patient's or other responsible party's income and ~~assets~~ family size and, if ~~required~~ needed, their assets, expenses and liabilities. The result will determine their eligibility for financial assistance, the amount of the discount they will receive and the amount they will be required to pay.
- B. MHS will provide Financial Assistance counseling upon request, without additional charge, before or after the patient receives services.
- C. Inpatient admissions may be screened for Medicaid eligibility. If screening criteria indicate potential eligibility, the patient/responsible party may be required to submit an an application to Medicaid prior to approval for Financial Assistance.
- D. A Patient or responsible party may request financial assistance for any debt greater than \$500. This means all uninsured patient responsibility amounts as well as insured patient balances after insurance payment. This includes deductibles, coinsurance, copayments, and non-covered charges. The following criteria is used when MHS considers the request:
- i. Patient or responsible party may qualify for 100% discount if the following applies:
 - 1. The Patient or responsible party must complete a signed Financial Evaluation Form.
 - 2. The Patient or responsible party has a total household income of less than or equal to 200% of the FPG (Per the 2024-2025 FPG a family of four which makes ~~\$62,400~~ \$64,300 per year is at 200% of the FPG), as described in Table A; and
 - 3. The Patient or responsible party has household liquid assets less than \$105,000. Liquid assets include cash, checking account balances, savings account balances, vehicles, boats, marketable personal property, stocks, bonds, or other negotiable instruments, and real property other than homestead. Liquid assets do not include primary residence, first vehicle or retirement funds not accessible without incurring a penalty; or

4. The Patient or responsible party has a balance due which exceeds 25% of their annual household income, but only if the annual household income is less than 4 times the FPG for a family of 4; or
 5. The Patient is unidentified after 6 months. During the 6 months MHS will exhaust all efforts to identify the patient including working with local, state, and federal law enforcement agencies.
- ii. Patient or responsible party may qualify for a sliding scale discount if the following applies:
1. Patient or responsible party has a total household income of between 201% and 400% (Per the [2024-2025](#) FPG a family of four which makes ~~\$124,800~~[128,600](#) is at 400%) of the FPG;
 2. The amount of discount depends on the income of the Patient or responsible party and the facility. (See Table A for guidance); or
 3. At no point will a patient who qualifies for financial assistance be responsible for more than 10% of their annual total household income.
- iii. Patients may be presumptively screened for financial assistance without a signed financial assistance application. This screening uses the FinThrive community based proprietary model. MHS will also consider prior accounts incurred within the prior twelve months [or twelve months after last insurance payment](#).
1. Patient or responsible party has a total household income of less than or equal to 200% of the FPG will qualify for the 100% discount.
 2. Patient or responsible party with a total household income of between 201% and 400% will qualify for the sliding scale discount.
 3. At no point will a patient who qualifies for financial assistance be responsible for more than 10% of their annual total household income.
- iv. Other financial assistance may be provided under the abbreviated Financial Assistance approval process described below:
1. Medicaid exhausted days or outpatient benefits
 2. Involuntary treatment under the Baker Act
 3. The patient is deceased, no estate has been filed with the court of the patient's county of residence after ~~one year~~[six months](#) from the date

of death. When this criterion has been verified by MHS, the outstanding balances will be discounted by 100%.

4. Patients who have a valid financial assistance approval from the North Broward Hospital District will not have to reapply for South Broward Hospital District financial assistance for emergent services.
- E. ~~Income and asset~~Financial information for residents of the South Broward Hospital District who qualify for financial assistance will be ~~accepted~~valid for one year, unless MHS has reason to question it. When MHS approves financial assistance for a Patient or responsible party, MHS will also consider accounts incurred within the prior twelve months. For purposes of the Financial Assistance Policy, a Resident is: one who makes his or her home in the geographic boundaries of the South Broward Hospital District, where he or she dwells permanently or for an extended period of time and not as a visitor, tourist, or for some other temporary purpose or temporary convenience, and not acting a sham of dwelling in residence.
- F. Patients or responsible parties can apply for financial assistance for up to one year after the date of service or twelve months after last insurance payment.
- G. Residents of the South Broward Hospital District who have been accepted into membership in the Memorial Primary Care will have co-payments for:
 - i. Outpatient Pharmacy services
 - ii. Primary Care Clinic visits
 - iii. Hospital outpatient services
 - iv. Emergency Department visits
- H. Patients or responsible parties who qualify for financial assistance and do not reside in the South Broward Hospital District will be approved only for each date of service.
- I. Upon request from the patient or responsible party, MHS will send a written statement that they qualify for financial assistance.
- J. This Financial Assistance Policy only applies to services provided by MHS at its facilities and services provided by MHS employed physicians. A listing of the medical

staff reflecting their adherence to this Financial Assistance Policy may be found here:
<https://www.mhs.net/-/media/mhs/files/patients-and-visitors/financial-assistance/en/providers.pdf?la=en>

III. BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS

Once MHS determines that a Patient or responsible party is eligible to receive financial assistance under this Financial Assistance Policy, he or she will not be charged more than the Amounts Generally Billed (AGB). At MHS the AGB is determined through the “Look-back method” which is calculated as follows:

MHS reviews *all* past claims that have been paid in a twelve month period. This includes claims for Medicare, commercial and managed care plans over a 12-month period. This amount does include patient co-insurance; copayments and deductibles. Medicaid replacement plans are not included in these calculations. This amount is the *sum of expected payments*.

The AGB percentage is calculated by dividing the sum of the payments by the sum of total charges billed. This percentage is then multiplied by the total charges for each patient encounter to arrive at the AGB for that encounter. MHS calculated the AGB for each facility and adopted the lowest rate for each MHS facility. Patients may request in writing the current AGB for each facility and/or how the uninsured discount compares to insurance discounts.

IV. FINANCIAL ASSISTANCE APPLICATION PROCESS

The patient or responsible party may ask for an appointment with Patient Financial Services by calling (954)276-5501 or the Eligibility Department by calling (954)276-5760. The patient may also ask in person at any of the MHS acute care facilities Admitting/Registration departments or the Eligibility Department at 2900 Corporate Way in Miramar. These requests must be made between the hours of 8:00 am – 4:30 pm Monday – Friday. MHS will provide information or assistance in the eligibility process when any patient or responsible party states they are not able to pay their balance or requests an application for financial assistance. The statement must be made to the MHS Eligibility Department, or MHS Patient Financial Services, or Accounts Receivable department.

- A. In order to qualify for a 100% charity discount, the patient or responsible parties are required to complete a Financial Evaluation Form, which can be found in Table C. ~~All p~~Patients will be required to ~~must~~ provide all requested

documentation as described in Table D, as soon as possible when applying for primary care services or waiver of Medicare patient responsibility. Extraordinary collection activity will be placed on hold up to 120 days from the date of request for assistance, while patient or responsible parties are in the Financial Assistance Policy application process. This hold on the collection activity allows a reasonable time to receive all required documents to determine eligibility. The Eligibility department staff will notify the patient in writing or by phone call of missing or incomplete documentation.

- B. MHS may supplement or confirm information given by the Patient or responsible party by using any of the following:
 - i. LexisNexis – provides access to public records
 - ii. FinThrive – provides credit information
 - iii. Experian – provides credit information
 - iv. MapQuest – provides address information
 - v. Various websites providing public record information as noted in Table E
- C. All applications will receive equal consideration and have a determination made based on the FPG and the patient's ability to pay.

V. APPEAL OF ELIGIBILITY DETERMINATION

Any patient or responsible party can request an appeal when MHS denies financial assistance. The request must be made in writing. The amount of the total denied accounts must exceed \$5,000.00. The appeal process is outlined in a separate policy attached to this policy.

VI. ACTIONS THAT MAY BE TAKEN IN THE EVENT OF NON PAYMENT

- A. The following steps will be taken to collect patient balances if no financial assistance is requested or otherwise applied under the above policies, or after financial assistance has been denied:
 - i. An initial bill is sent to the Patient or responsible party after discharge.

- ii. A statement is sent 30 days after the initial bill, with further statements every 30 days over the next 90 days. If a partial payment is received, the statement series will be restarted and continue for 120 days.
 - iii. Calls may be placed during this time period.
 - iv. 120 days after discharge, if no one has requested financial assistance, or if no payment plan has been put into place, and no partial payment received, the account may be placed with a primary debt collection agency.
 - v. After 1 year the account may be placed with a secondary debt collection agency.
- B. In the case of a Public Health Emergency (PHE) MHS may determine that no patient statements will be sent [and no patient collection actions taken](#) until such time as the PHE impact has been reduced in South Broward County. This determination will be made by the Vice President of Revenue Cycle and the Chief Financial Officer of MHS.
- C. During the first 120 days from the date the first post-discharge billing statement is provided, MHS will not begin any of the collection actions stated below in this section. Further, MHS will notify the Patient or responsible party 30 days in advance of beginning any of the collection actions stated below in this section.
- i. filing any lawsuit
 - ii. filing for a judgment
 - ~~iii. reporting to one or more credit bureau(s)~~
 - ~~iv.~~iii. ~~Defer or deny care after an Emergency Medical Condition has been determined not to exist by the patient's physician if the Patient or responsible party has outstanding balances placed with bad debt agencies until adequate payment arrangements have been made for their bad debt balances.~~

VII. EFFORTS TO WIDELY PUBLICIZE THE FINANCIAL ASSISTANCE POLICY

- A. MHS will make the Financial Assistance Policy, the Financial Evaluation Form and a plain language summary of the Financial Assistance Policy available on its website, www.mhs.net/financialaid, in all languages required by Section 501(r) regulations. These documents can also be requested in person at any MHS hospital facility or by calling the Patient Financial Services Department at (954) 276-5501.
- B. Public notices will be clearly and conspicuously posted in locations visible to the public including all registration areas. These notices will explain that MHS offers a Financial Assistance Program to individuals who are uninsured or underinsured.

Notification of this policy, which shall include contact information, shall be distributed by MHS by various means, including notices attached to patient statements and notices attached to the patient admission forms in admitting and registration areas and through other public places as MHS may elect. The Financial Assistance Policy, Financial Assistance Program Application Form and the Plain Language Summary will be made available in English, Spanish, French, French Creole, Portuguese, Vietnamese and Russian. Questions regarding this policy can be made during business hours at (954) 276-5501.



Memorial Healthcare System

FINANCIAL ASSISTANCE POLICY

Revised April 2026

I. FINANCIAL ASSISTANCE POLICY

Any Patient may ask for financial assistance. Anyone else who is responsible for paying for the patient's care may also ask for financial assistance. All emergency and medically necessary care are covered under the financial assistance policy. Memorial Healthcare System (MHS) provides screening for and treatment of emergency medical conditions in accord with the Standard Practice titled "Transfer/Access to Emergency Care", attached to this policy. In cases where this Standard Practice does not apply, requests to schedule Memorial Healthcare services in advance are reviewed for financial assistance on a case by case basis. Patients seeking Emergency Care will be treated without regard for whether they are eligible for Financial Assistance under this policy.

This policy applies to all South Broward Healthcare District facilities. Note that Memorial Ambulatory Surgery Centers are not included because they are either not owned or operated by the South Broward Hospital District.

This Financial Assistance Policy will help you understand when financial assistance will be given.

Financial Assistance may mean charity care (as defined by either the State of Florida or District policies) or certain uninsured discounts, as explained further below.

For charity care, the patient or responsible party must not be able to pay for the patient's medical care. The ability to pay is determined by using the Federal Poverty Guidelines (FPG), patient or guarantor income, and family size. The federal government updates these guidelines annually. The ability to pay is also determined by examining assets and, if required, liabilities and potential litigation results for pending third party liability claims.

When asked, MHS will determine if the patient or responsible party has the ability to pay. This examination, or screening, for financial assistance is free of charge. The amount of the requested financial assistance must be more than \$500, for all accounts combined.

Patients may elect not to provide financial documentation but instead be provided financial assistance in the form of discounted self-pay rates. These are available for Emergency Department visits as well as most outpatient procedures and inpatient stays.

Financial assistance will not be granted to any uninsured non-resident of the South Broward Hospital District for non-emergent, medically necessary care that can be provided by their local safety net facility. If no safety net provider exists for that patient, financial assistance will be determined on a case by case basis.

The rest of this Financial Assistance Policy provides more information about how you may ask for financial assistance. It tells you when you will be considered eligible to get financial assistance. It tells you how much financial assistance you will get when you meet the requirements of this Financial Assistance Policy.

II. ELIGIBILITY CRITERIA AND DISCOUNT AMOUNTS

- A. MHS will gather information about a patient's or other responsible party's income and family size and, if needed, their assets, expenses and liabilities. The result will determine their eligibility for financial assistance, the amount of the discount they will receive and the amount they will be required to pay.
- B. MHS will provide Financial Assistance counseling upon request, without additional charge, before or after the patient receives services.
- C. Inpatient admissions may be screened for Medicaid eligibility. If screening criteria indicate potential eligibility, the patient/responsible party may be required to submit an application to Medicaid prior to approval for Financial Assistance.
- D. A Patient or responsible party may request financial assistance for any debt greater than \$500. This means all uninsured patient responsibility amounts as well as insured patient balances after insurance payment. This includes deductibles, coinsurance, copayments, and non-covered charges. The following criteria is used when MHS considers the request:
 - i. Patient or responsible party may qualify for 100% discount if the following applies:
 - 1. The Patient or responsible party must complete a signed Financial Evaluation Form.
 - 2. The Patient or responsible party has a total household income of less than or equal to 200% of the FPG (Per the 2025 FPG a family of four which makes \$64,300 per year is at 200% of the FPG), as described in Table A; and
 - 3. The Patient or responsible party has household liquid assets less than \$10,000. Liquid assets include cash, checking account balances, savings account balances, vehicles, boats, marketable personal property, stocks, bonds, or other negotiable instruments, and real property other than homestead. Liquid assets do not include primary residence, first vehicle or retirement funds not accessible without incurring a penalty; or
 - 4. The Patient or responsible party has a balance due which exceeds 25% of their annual household income, but only if the annual household income is less than 4 times the FPG for a family of 4; or

5. The Patient is unidentified after 6 months. During the 6 months MHS will exhaust all efforts to identify the patient including working with local, state, and federal law enforcement agencies.
- ii. Patient or responsible party may qualify for a sliding scale discount if the following applies:
 1. Patient or responsible party has a total household income of between 201% and 400% (Per the 2025 FPG a family of four which makes \$128,600 is at 400%) of the FPG;
 2. The amount of discount depends on the income of the Patient or responsible party and the facility. (See Table A for guidance); or
 3. At no point will a patient who qualifies for financial assistance be responsible for more than 10% of their annual total household income.
 - iii. Patients may be presumptively screened for financial assistance without a signed financial assistance application. This screening uses the FinThrive community based proprietary model. MHS will also consider prior accounts incurred within the prior twelve months or twelve months after last insurance payment.
 1. Patient or responsible party has a total household income of less than or equal to 200% of the FPG will qualify for the 100% discount.
 2. Patient or responsible party with a total household income of between 201% and 400% will qualify for the sliding scale discount.
 3. At no point will a patient who qualifies for financial assistance be responsible for more than 10% of their annual total household income.
 - iv. Other financial assistance may be provided under the abbreviated Financial Assistance approval process described below:
 1. Medicaid exhausted days or outpatient benefits
 2. Involuntary treatment under the Baker Act
 3. The patient is deceased, no estate has been filed with the court of the patient's county of residence after six months from the date of death. When this criterion has been verified by MHS, the outstanding balances will be discounted by 100%.

4. Patients who have a valid financial assistance approval from the North Broward Hospital District will not have to reapply for South Broward Hospital District financial assistance for emergent services.
- E. Financial information for residents of the South Broward Hospital District who qualify for financial assistance will be valid for one year, unless MHS has reason to question it. When MHS approves financial assistance for a Patient or responsible party, MHS will also consider accounts incurred within the prior twelve months. For purposes of the Financial Assistance Policy, a Resident is: one who makes his or her home in the geographic boundaries of the South Broward Hospital District, where he or she dwells permanently or for an extended period of time and not as a visitor, tourist, or for some other temporary purpose or temporary convenience, and not acting a sham of dwelling in residence.
- F. Patients or responsible parties can apply for financial assistance for up to one year after the date of service or twelve months after last insurance payment.
- G. Residents of the South Broward Hospital District who have been accepted into membership in the Memorial Primary Care will have co-payments for:
 - i. Outpatient Pharmacy services
 - ii. Primary Care Clinic visits
 - iii. Hospital outpatient services
 - iv. Emergency Department visits
- H. Patients or responsible parties who qualify for financial assistance and do not reside in the South Broward Hospital District will be approved only for each date of service.
- I. Upon request from the patient or responsible party, MHS will send a written statement that they qualify for financial assistance.
- J. This Financial Assistance Policy only applies to services provided by MHS at its facilities and services provided by MHS employed physicians. A listing of the medical staff reflecting their adherence to this Financial Assistance Policy may be found here:

<https://www.mhs.net/-/media/mhs/files/patients-and-visitors/financial-assistance/en/providers.pdf?la=en>

III. **BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS**

Once MHS determines that a Patient or responsible party is eligible to receive financial assistance under this Financial Assistance Policy, he or she will not be charged more than the Amounts Generally Billed (AGB). At MHS the AGB is determined through the “Look-back method” which is calculated as follows:

MHS reviews *all* past claims that have been paid in a twelve month period. This includes claims for Medicare, commercial and managed care plans over a 12-month period. This amount does include patient co-insurance; copayments and deductibles. Medicaid replacement plans are not included in these calculations. This amount is the *sum of expected payments*.

The AGB percentage is calculated by dividing the sum of the payments by the sum of total charges billed. This percentage is then multiplied by the total charges for each patient encounter to arrive at the AGB for that encounter. MHS calculated the AGB for each facility and adopted the lowest rate for each MHS facility. Patients may request in writing the current AGB for each facility and/or how the uninsured discount compares to insurance discounts.

IV. **FINANCIAL ASSISTANCE APPLICATION PROCESS**

The patient or responsible party may ask for an appointment with Patient Financial Services by calling (954)276-5501 or the Eligibility Department by calling (954)276-5760. The patient may also ask in person at any of the MHS acute care facilities Admitting/Registration departments or the Eligibility Department at 2900 Corporate Way in Miramar. These requests must be made between the hours of 8:00 am – 4:30 pm Monday – Friday. MHS will provide information or assistance in the eligibility process when any patient or responsible party states they are not able to pay their balance or requests an application for financial assistance. The statement must be made to the MHS Eligibility Department, or MHS Patient Financial Services, or Accounts Receivable department.

- A. In order to qualify for a 100% charity discount, the patient or responsible parties are required to complete a Financial Evaluation Form, which can be found in Table C. Patients will be required to provide documentation as described in Table D, when applying for primary care services or waiver of Medicare patient

responsibility. Extraordinary collection activity will be placed on hold up to 120 days from the date of request for assistance, while patient or responsible parties are in the Financial Assistance Policy application process. This hold on the collection activity allows a reasonable time to receive all required documents to determine eligibility. The Eligibility department staff will notify the patient in writing or by phone call of missing or incomplete documentation.

- B. MHS may supplement or confirm information given by the Patient or responsible party by using any of the following:
 - i. LexisNexis – provides access to public records
 - ii. FinThrive – provides credit information
 - iii. Experian – provides credit information
 - iv. MapQuest – provides address information
 - v. Various websites providing public record information as noted in Table E
- C. All applications will receive equal consideration and have a determination made based on the FPG and the patient's ability to pay.

V. APPEAL OF ELIGIBILITY DETERMINATION

Any patient or responsible party can request an appeal when MHS denies financial assistance. The request must be made in writing. The amount of the total denied accounts must exceed \$5,000.00. The appeal process is outlined in a separate policy attached to this policy.

VI. ACTIONS THAT MAY BE TAKEN IN THE EVENT OF NON PAYMENT

- A. The following steps will be taken to collect patient balances if no financial assistance is requested or otherwise applied under the above policies, or after financial assistance has been denied:
 - i. An initial bill is sent to the Patient or responsible party after discharge.

- ii. A statement is sent 30 days after the initial bill, with further statements every 30 days over the next 90 days. If a partial payment is received, the statement series will be restarted and continue for 120 days.
 - iii. Calls may be placed during this time period.
 - iv. 120 days after discharge, if no one has requested financial assistance, or if no payment plan has been put into place, and no partial payment received, the account may be placed with a primary debt collection agency.
 - v. After 1 year the account may be placed with a secondary debt collection agency.
- B. In the case of a Public Health Emergency (PHE) MHS may determine that no patient statements will be sent and no patient collection actions taken until such time as the PHE impact has been reduced in South Broward County. This determination will be made by the Vice President of Revenue Cycle and the Chief Financial Officer of MHS.
- C. During the first 120 days from the date the first post-discharge billing statement is provided, MHS will not begin any of the collection actions stated below in this section. Further, MHS will notify the Patient or responsible party 30 days in advance of beginning any of the collection actions stated below in this section.
 - i. filing any lawsuit
 - ii. filing for a judgment
 - iii. Defer or deny care after an Emergency Medical Condition has been determined not to exist by the patient's physician if the Patient or responsible party has outstanding balances placed with bad debt agencies until adequate payment arrangements have been made for their bad debt balances.

VII. EFFORTS TO WIDELY PUBLICIZE THE FINANCIAL ASSISTANCE POLICY

- A. MHS will make the Financial Assistance Policy, the Financial Evaluation Form and a plain language summary of the Financial Assistance Policy available on its website, www.mhs.net/financialaid, in all languages required by Section 501(r) regulations. These documents can also be requested in person at any MHS hospital facility or by calling the Patient Financial Services Department at (954) 276-5501.
- B. Public notices will be clearly and conspicuously posted in locations visible to the public including all registration areas. These notices will explain that MHS offers a Financial Assistance Program to individuals who are uninsured or underinsured.

Notification of this policy, which shall include contact information, shall be distributed by MHS by various means, including notices attached to patient statements and notices attached to the patient admission forms in admitting and registration areas and through other public places as MHS may elect. The Financial Assistance Policy, Financial Assistance Program Application Form and the Plain Language Summary will be made available in English, Spanish, French, French Creole, Portuguese, Vietnamese and Russian. Questions regarding this policy can be made during business hours at (954) 276-5501.

MEMORIAL HEALTHCARE SYSTEM

STANDARD PRACTICE

Date: March 1992

Date Reviewed: March 1999; August 2002; September 2002; April 2004; May 2005; November, 2010; January 2011; November 2013; September 2014; October 2018; October 2021

Date Revised: March 1999; August 2002; September 2002; April 2004; May 2005; November 2010; November 2013; September 2014; April 2016; March 2017; October 2021

Title: **TRANSFER/ACCESS TO EMERGENCY CARE**

I. In no event shall the provision of emergency services, the acceptance of a medically necessary transfer or the return of a patient pursuant to Section III.(B) below, be based upon, or affected by, the person's race, ethnicity, religious/national origin, citizenship, age, gender, pre-existing medical condition, physical or mental handicap, insurance/economic status, or sexual preference.

II. 42 U.S.C. 1395 dd (sometimes referred to as Emergency Medical Treatment Active Labor Act or "EMTALA") and regulations promulgated thereunder at 42 CFR Section 489 et. Seq., and Ch. 395.1041, Fla Stat. create certain obligations on the part of hospitals with emergency departments and on the part of physicians providing emergency services and care.

III. In compliance with applicable law, Memorial Healthcare System ("MHS") hospitals shall provide emergency services and care for any emergency medical condition when:

- A. Any person requests either personally or through an authorized individual (such as a healthcare surrogate or proxy) emergency services and care; or
- B. Emergency services and care are requested on behalf of a person by:
 - 1. An emergency medical services provider who is rendering care or transporting the person; or
 - 2. Another hospital, when such hospital is seeking medically necessary transfer.

IV. The term "emergency medical condition" means:

- A. A medical condition manifesting itself by acute symptoms of sufficient severity (which may include severe pain) such that the absence of immediate medical attention could reasonably be expected to result in any of the following:
 - 1. Serious jeopardy to patient health, including a pregnant woman or fetus;
 - 2. Serious impairment to bodily functions; or

3. Serious dysfunction of any bodily organ or part.

B. With respect to a pregnant woman:

1. That there is inadequate time to effect safe transfer to another hospital prior to delivery;
2. That a transfer may pose a threat to the health and safety of the patient or fetus; or
3. That there is evidence of labor, which means the process of childbirth beginning with the latent or early phase of labor or there is onset and persistence of uterine contractions or there is rupture of the membranes and continuing through the delivery of the placenta.

NOTE: For purposes of this Standard Practice, a patient experiencing contractions should be considered to be in true labor unless a physician certifies that after a reasonable time of observation the patient is in false labor.

V. The term “emergency services and care” means:

- A. An appropriate medical screening examination within the capabilities of the Hospital’s Emergency Department including ancillary services available to the Emergency Department, to determine if an emergency medical condition exists. The examinations must be conducted by persons determined by the Hospital as qualified to conduct such examinations.
- B. Examination and evaluation by a physician or to the extent permitted by applicable law by other appropriate personnel under the supervision of a physician, who determine if an emergency medical condition exists.
- C. If an emergency medical condition does exist, the care, treatment or surgery by a physician necessary to stabilize the emergency medical condition, within the service capability of the facility.

“Stabilize or stabilized” means that no material deterioration of the patient’s condition is likely, within reasonable medical probability, to result from or occur during the transfer.

VI. Under the law, neither the hospital nor its employees, nor any physician, dentist, or podiatrist shall be liable in any action arising out of a refusal to render emergency services or care if the refusal is made after screening, examining and evaluating the patient and is based on the determination that the person is either not suffering from an emergency medical condition, that the hospital does not have the service capability, or is at service capacity and unable to render those services.

Procedure:

I. Access to Care

Emergency services and care and appropriate screening to determine the existence or absence of an emergency medical condition shall not be delayed in order to

ascertain the ability to pay for such emergency services and care. Inquiries may be made regarding ability to pay if those inquiries do not cause a delay in medical screening or treatment. Each MHS Hospital accepting a person in need of emergency services and care via transfer from another hospital shall not require the transferring hospital, or any person or entity, to guarantee payment as a condition of receiving the transferred patient. The Hospital shall not require any contractual agreement, any type of pre-planned transfer agreement, or any other arrangement to be made prior to or at the time of transfer as a condition of receiving a transferred patient.

II. Posting of Notice

Notice in English, Spanish and Creole, specifying the patient's rights to emergency services and care and the service capability of the hospital shall at all times be conspicuously posted in the Emergency Departments.

III. Transfer Arrangements

- A. Medically necessary transfers shall be made to the geographically closest hospital able to provide the needed service, unless the geographically closest hospital is either at service capacity or unless a prior arrangement between hospitals is in place.
- B. When the condition of the patient improves, and the service capability of the receiving hospital is no longer required, the receiving hospital may transfer the patient to another hospital and the transferring hospital shall receive the patient within its service capability.

IV. Transfer of Patients from a Memorial Healthcare System Hospital

- A. A patient suffering from an emergency medical condition may not be transferred from the hospital to another hospital unless:
 - 1. The patient or a person who is legally responsible for the patient and acting on the patient's behalf, after being informed of the hospital's obligation under this section and of the risk of transfer, requests the transfer. The hospital will seek to obtain this request in writing, indicating the reasons for the request as well as the risks and benefits of the transfer; or
 - 2. A physician has signed a certification that based upon the reasonable risks and benefits to the patient and based upon the information available at the time of transfer, the medical benefits reasonably expected from the provision of appropriate medical treatment at another hospital, outweigh potential increased risks to the patient's medical condition; or

3. If a physician is not physically present in the emergency services area at the time an individual is transferred, a qualified medical person may sign a certification that a physician with staff privileges, and after appropriate consultation, has determined that the medical benefits, reasonably expected from the provision of appropriate medical treatment at another medical facility, outweigh the potential increased risks to the individual's medical condition. The certification shall summarize the basis for such determination. The consulting physician must subsequently sign the certification.
-
- B. Each MHS Hospital will not transfer a patient unless the patient has been accepted for transfer by the facility for which transfer is sought.
 - C. If the medical benefits of transfer do not outweigh the risks, patients who are not stable will be discouraged from requesting transfer and shall be advised of risks. If the patient or the legally responsible person acting on the patient's behalf persists in the transfer request, the request shall be made in writing, signed by the person making the request and the transfer shall be considered Against Medical Advice. The attached form (see Attachment #1) may be used to document the request.
 - D. In medical emergencies, when a transfer must be made due to the hospital's inability to provide treatment as described above, such transfer must be approved by the Administrator-on-Call. The Nursing Director or Administrative Officer can approve the transfers to Memorial Regional Hospital if the need is of the above specified nature and a log of the patient's name, transferring and receiving physician, as well as the appropriate reason for transfer must be maintained.
 - E. All air ambulance transfers, regardless of the receiving facility, must be approved by the Administrator-on-Call. For local (South Florida) air ambulance transfer of emergencies, contact the appropriate agency listed on Attachment #2.
 - F. Nursing Director/Administrative Officer will complete transfer request form attached (see Attachment #3) and coordinate transport.
 - G. Indigent Patients

When for medical reasons an indigent patient requires transfer to another hospital, transportation must be arranged either through a public agency or at the hospital's expense, with Administration's approval.

1. When transferring to the Veterans Administration Hospital ("VAH"), the attending physician should contact the VAH admitting physician, request and receive authorization for VAH transportation.

2. When transferring to Jackson Memorial Hospital (“JMH”) or another institution outside Broward County, a 24-hour advance notice should be provided to the Clinical Effectiveness Department; this will allow adequate time to secure transportation or approval for payment from the appropriate public agency, (i.e., Health and Rehabilitative Services (“HRS”), Broward County Primary Care, U.S. Public Health Department.

If the transfer to JMH is an emergency and the patient is an active Medicaid recipient, the ambulance company is provided the Medicaid number for billing purposes and the Clinical Effectiveness Department is notified of the transfer as soon as possible for follow-up with HRS.

3. If payment for transportation cannot be obtained from any other source, or if possibility of assistance from a public agency cannot be determined, the transfer may be billed to the hospital, with Administration approval. The Clinical Effectiveness Department should be contacted to investigate possible retroactive reimbursement.

V. Transfer of Patients to Memorial Healthcare System Hospitals

- A. Subject to appropriate bed availability, staffing and other resources needed in the provision of care, patients in other hospitals having no insurance or other financial means of payment for services rendered, will receive approval for transfer if **all** of the following conditions are met:

1. The patient requires emergency treatment (which includes patients in active labor); and
2. The hospital seeking transfer does not have the service available to prevent deterioration of the patient’s condition; and
3. An agreement exists between both the referring and accepting ER physicians concerning the stability of the patient’s condition for transfer.

IN SUCH CIRCUMSTANCES, THE MEMORIAL HEALTHCARE SYSTEM HOSPITAL WILL NOT ASK QUESTIONS ABOUT THE PATIENT’S ABILITY TO PAY UNLESS THE TRANSFER IS APPROVED.

- B. Subject to the above requirements and the availability of appropriate bed space, staffing, and other resources needed for the care of specific patients, MHS may approve requests for transfer of the following patients:

1. Patients requiring or preferring services at a MHS Hospital who have adequate insurance or other financial resources to pay for hospitalization, shall receive approval for transfer. The Accounts Receivable Management Office will verify that insurance is in force and

the nature of the benefits. Nothing in this section limits the Memorial Healthcare System's right to receive payment for services rendered to such patient or Memorial Healthcare System's right to seek transfer of the patient to any facility, including the original referring facility once the patient's condition is stabilized.

2. Telephone calls may be received at any time of the day or night from administrators, nurses, social workers and doctors representing hospitals in and out of the South Broward Hospital District when seeking consent from an MHS representative, for a patient's acceptance to an MHS Hospital.

3. Transfers within MHS Facilities:

The requirements specified in this Standard Practice apply equally to transfers between MHS facilities, including, without limitation, transfers between Memorial Regional Hospital, Memorial Regional Hospital South, Memorial Hospital West, Memorial Hospital Miramar and Memorial Hospital Pembroke. For transfers to MHP between MHS Facilities, the Administrator On-Call's Designee is the receiving Hospital's Admitting/Bed Control Department. For difficult and/or complicated cases needing transfer to the respiratory care floor, prior approval must be obtained by the Director and/or Administrator as appropriate.

"Decanted" patients will be considered those patients in a MHS ED that require admission but can be transferred to an appropriate MHS facility due to capacity concerns at the present facility. "Decanting" as it relates to patients, is a process to relieve the pressure in an ED that is approaching capacity and level patient volumes across MHS.

"Decanting" is driven by the patient's diagnosis and initiated by a physician decision that the patient is medically appropriate to transfer. After the patient/Healthcare Surrogate gives consent to transfer, the patient is transferred to a MHS hospital unit.

4. Medical Condition:

The following information should be obtained by the receiving physician (accepting physician/ER physician if emergent) concerning the patient's medical condition:

- a. Does the patient's condition warrant emergency or elective care?
- b. Does the patient have a condition, illness, injury or disease which cannot be treated at the requesting facility?

5. **Except in situations involving patients who require emergency treatment,**

the following information must be obtained prior to the transfer request being evaluated by the Administrator-on-Call:

- a. **Residency:** The residency of the patient in the South Broward Hospital District should be verified by reference to the local telephone directory, current cross reference directory and through communication when required, with the patient, family members or friends. A resident of the South Broward Hospital District shall be defined as “any person” making his/her home or place of abode within the geographical boundaries of the hospital district and with no present intention of moving outside of the district.
 - b. **Financial Data:** The Accounts Receivable Management Office will verify insurance coverage and/or financial resources including eligibility for government assistance programs and district charity to pay for hospitalization.
 - c. **Stable for Transfer:** The patient transfer shall not be approved unless both the referring and receiving physician confer and reach a unanimous decision that the patient is in stable condition for transfer.
6. **Treating Physicians:** All transfer patients must be admitted by a member of MHS’ medical staff. A physician may then be assigned when appropriate, in accordance with the Medical Staff By-laws and policies concerning assignment of patients.
 7. **Clinical Effectiveness Department:** A Case Manager will evaluate the appropriateness of the transfer, based on MHS’ criteria used for services to be rendered.
 8. **Medical Records:** All transfers require any copies of pertinent portions of inpatients’ and/or outpatients’ medical records which include at a minimum, lab results, x-ray reports, EKG report, History & Physical and consultative reports, which are not contained in the electronic medical record.
 9. **Hospital In-Patient Transfer Procedure from non-MHS Hospitals.**

For Memorial Hospital West:

- a. Day (8:00 a.m. – 6:30 p.m., Monday – Friday; 7:00 a.m. – 3:30 p.m., Saturday and Sunday): Calls should be routed to Bed Control. Bed Control will complete the Inter-Hospital Transfer Request form.

- b. Bed Control will verify the patient's insurance and obtain transfer and admission authority action, when necessary.
- c. The Nursing Director or the Administrative Officer when appropriate, will be notified of Transfer Request and will contact the Administrator-on-Call for approval.

For Memorial Hospital Pembroke:

- a. Weekdays (7:00 am to 4:00 pm): Calls should be routed to Admissions: Patient Financial Representative will contact the administrator on call for approval/disapproval;
 - i. Admitting will notify the referring hospital of the approval/disapproval;
 - ii. Admitting will complete the Inter-Hospital Transfer Request form; original will remain with the patient chart, yellow copy to be forwarded to the nursing office.
- b. Weekends, evenings, nights (4:00 pm to 7:00 am) and holidays: Calls should be routed to the Administrative Officer who will consult with the Patient Financial Representative and obtain approval for the transfer from the Administrator-On-Call.
 - i. Administrative Officer will notify the referring hospital of approval/disapproval.
 - ii. Administrative Officer will ensure that the Inter-Hospital Transfer Request form is completed. Original will remain with the patient chart, yellow copy to be forwarded to the nursing office.

For Memorial Hospital Miramar:

- a. Weekdays (8:00 am to 4:00 pm): Calls should be routed to the Clinical Effectiveness Department. The CE Director or designee will contact Bed Control to review demographics, reason for transfer, referring physician service availability and for verification of insurance coverage and authorization. The CE Director or designee will then contact the Administrator on Call for approval.
 - i. If approved, Bed Control will complete the Inter-Hospital Transfer Request form and the CE Director or designee will notify the originating facility; the original form will remain with the patient chart, yellow copy to be forwarded to the nursing office.
- b. Weekends, evenings, nights (4:00 pm to 8:00 am) and holidays: Calls should be routed to the Administrative Officer who will contact the Clinical Effectiveness Director or designee to obtain approval for the transfer from the Administrator-On-Call.

- i. Administrative Officer will notify the referring hospital of approval/disapproval.
- ii. Administrative Officer will ensure that the Inter-Hospital Transfer Request form is completed.
Original will remain with the patient chart, yellow copy to be forwarded to the nursing office.

For Memorial Regional Hospital/ Memorial Regional Hospital South/Joe DiMaggio Children's Hospital:

- a. Calls should be routed to the Call Center/Transfer Center 24/7. The Transfer Center RN or Bed Control Representative will complete the Inter-Hospital Transfer Request form, for all transfers other than ED to ED.
 - i. Inter-Hospital Transfer Request form will be forwarded to Patient Financial Service Representatives/Bed Control for insurance verification.
 - ii. Patient Financial Service Representative recommends approval/disapproval of insurance and forwards Inter-Hospital Transfer Request form to Transfer Center RN.
 - iii. Transfer Center RN/ Director of MHS Transfer Center/ Administrative Director of Patient Financial Services or designee approves/disapproves transfer request.
 - iv. Bed Control will be notified of approval/disapproval in a timely manner.
 - v. The Transfer Center RN or Bed Control will notify the referring hospital of approval/disapproval. After business hours, the Transfer Center RN will notify the Administrative Officer for approval/disapproval. The Administrator-On-Call is notified at the discretion of the Administrative Officer.
- b. Requests for all Behavioral Health patient transfers, whether from an inpatient or emergency department setting, will be routed through the Call Center/Transfer Center.

Joe DiMaggio Children's Hospital Transport Team

When a request is made for transportation using the services of the Neonatal/Pediatric Transport Team for the Joe DiMaggio Children's Hospital, the following procedure should be followed:

- a. The request will be evaluated by the Transport Team and the Neonatologist or Pediatric Intensivist on duty at the Joe DiMaggio Children's Hospital. If the transport or transfer request is accepted by the Transport Team, in conjunction with the Transfer Center RN and the Neonatologist or Pediatric Intensivist, approval by the Administrator-on-Call is not required, except for International patients.

- b. All transfer requests are routed via the Transfer Center, (954) 986-6330 and the transfer nurse will facilitate Physician to Physician communication via a recorded line for quality assurance purposes. Once the patient has been accepted by the JDCH Physician, the transfer nurse will notify the appropriate transport team. The transport nurse will call to obtain patient report from the referral facility.
- c. If the request for transport or transfer is not accepted by the Transport Team, the request for transfer shall be forwarded to the Nurse Manager/Supervisor and the procedure applicable to all other transfer requests shall be followed.

Memorial Regional Transport Team

When a request is made for transportation using the services of the Adult Transport Team (Cardiovascular, Maternal Fetal or Neuro Science Transport Team) the following procedure should be followed:

- a. All transfer requests are routed via the Transfer Center, (954) 265-6338 and the transfer nurse will facilitate Physician to Physician communication via a recorded line for quality assurance purposes. Once the patient has been accepted by the MRH Physician, the transfer nurse will notify the appropriate transport team. The transport nurse will call to obtain patient report from the referral facility.
10. ED to ED Transfers: Calls will be routed to the Call Center/Transfer Center 24/7 and the patient will be approved based on physician to physician report.
 11. Maintenance of Records and Logs
Each MHS Hospital shall maintain records of each transfer made or received for a period of ten years. These records shall be included in a transfer log, as well as in the permanent medical record of any patient being transferred or received. Each MHS Hospital shall maintain a record log of all patients who request emergency care and services, or persons on whose behalf emergency care and services are requested, for a period of ten years.
- VI. Emergency Response on Hospital Property
Hospital property means the entire main hospital campus, including the parking lot, sidewalk and driveway, but excluding other areas or structures that are located within 250 yards of the hospital's main building and are not part of the hospital, such as physician offices, restaurants, shops, or other non-medical facilities. It also includes medical facilities of MHS that function as departments of a MHS hospital, including those located off the hospital campus.

If any person on hospital property requires or reasonably appears to need examination or treatment for an emergency medical condition, staff shall respond to the extent of

available staff and equipment and when necessary and appropriate, arrange for transportation of the person to the hospital's emergency department.

When necessary and appropriate to arrange for treatment and/or transportation, staff may dial 911 and obtain EMS services. Treatment if required, shall be provided to the extent of available staff and resources and should continue while awaiting EMS response.

VII. Transportation of a Patient from an Off-Campus Hospital Department

A. Department personnel shall:

1. Arrange for transportation of the patient unless refused by the patient or guardian or healthcare surrogate or proxy.
2. Transportation shall be the closest and most appropriate facility necessary to prevent injury to the patient.
3. Whenever possible, consistent with (1.) and (2.) above, arrange for transportation to the closest MHS Hospital with appropriate facilities to provide emergency services and care to the patient. Transportation shall be by EMS unless refused by the patient or determined not to be necessary by a physician.
4. Contact the destination Emergency Department to prepare for the patient's arrival.

FOR PATIENTS UNDER THE BAKER ACT, REFER TO THE MHS STANDARD PRACTICES TITLED "INVOLUNTARY COMMITMENT, BAKER ACT" AND "TRANSFER REQUEST—BAKER ACT."



Aurelio M. Fernandez, III, FACHE
President and Chief Executive Officer

ATTACHMENT #1

REQUEST FOR TRANSFER AGAINST MEDICAL ADVICE

READ THIS FORM CAREFULLY AND COMPLETELY BEFORE SIGNING

I have been advised that my medical condition is considered "unstable" and the physician caring for me strongly recommends against transfer. The risks of transfer include the following:

I understand that there may be additional risks and it is not possible to list every complication that may result from transfer.

I understand that this transfer is considered against medical advice, and I willingly and knowingly assume all risks associated with the transfer.

I have read and fully understand the above form and I am requesting to be transferred to:

Signature of Patient
Time

Date

Signature of Legal Representative Witness

ATTACHMENT #2

Air Ambulance Agencies

Administrator-On-Call approval is needed prior to contact.

Local Emergency Transfer (Orlando and South)

1. Broward Sheriff's Department
305-765-4321 Dispatch
305-772-3670 Airport Station
2. Metro Dade
305-596-8571 Dispatch
305-233-5000 Special Detail Office
3. Coast Guard Air Station
305-536-5611 Rescue Coordination Center
Agencies to Contact (Fixed Wings)
Long Distance (North of Orlando)

Air Force (Mast) Assistance/Coast Guard (Miami):

To be used as last resort in the event that no commercial carrier is available, or medical intervention of immediate nature is needed;
Contact Coast Guard Rescue Coordination Center at **305-536-5611**.

Commercial Air Ambulances.

| | |
|----------------------------|--------------|
| Aero Ambulance Int'l. | 800-749-2376 |
| Air Ambulance America | 800-262-8526 |
| Air Ambulance Professional | 800-752-4195 |
| Air Care Int'l | 800-762-7060 |
| Air Medical Services | 800-443-0013 |
| Air Trek, Inc. | 800-633-5387 |
| Airborne Medical Service | 800-241-1234 |
| Care Flight | 800-282-6878 |
| Corporate Angels (Indgt) | 914-328-1313 |
| Eastern Air Charter | 800-370-8680 |
| Federal Air Ambulance | 800-336-4586 |
| Lifeguard Air Ambulance | 800-262-4688 |
| Lifeguard Air Rescue | 800-446-7142 |

This Standard Practice applies to all of the hospitals and facilities owned and operated by the South Broward Hospital District d/b/a Memorial Healthcare System including, but not limited to, Memorial Regional Hospital, which includes Joe DiMaggio Children's Hospital and Memorial Regional Hospital South, Memorial Hospital Pembroke, Memorial Hospital West, and Memorial Hospital Miramar, unless otherwise stated.

Table A: Financial Assistance Discount Matrix**Memorial Regional Hospital**

| BALANCES DUE FROM PATIENT | |
|---------------------------|---|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 82% Discount 83% Discount |
| 351% - 400% of FPG | 82% Discount 83% Discount |

Memorial Regional Hospital South

| BALANCES DUE FROM PATIENT | |
|---------------------------|---|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 82% Discount 83% Discount |
| 351% - 400% of FPG | 82% Discount 83% Discount |

Joe DiMaggio Hospital

| BALANCES DUE FROM PATIENT | |
|---------------------------|---|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 82% Discount 83% Discount |
| 351% - 400% of FPG | 82% Discount 83% Discount |

Memorial Hospital West

| BALANCES DUE FROM PATIENT | |
|---------------------------|--------------------|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 85% Discount |
| 351% - 400% of FPG | 85% Discount |

Memorial Hospital Pembroke

| BALANCES DUE FROM PATIENT | |
|---------------------------|---|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 82% Discount 83% Discount |
| 351% - 400% of FPG | 82% Discount 83% Discount |

Memorial Employed Physician Group/Urgent Care/Specialty Pharmacy

| BALANCES DUE FROM PATIENT | |
|---------------------------|--------------------|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 80% Discount |
| 351% - 400% of FPG | 75% Discount |

Memorial Hospital Miramar

| BALANCES DUE FROM PATIENT | |
|---------------------------|--------------------|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 80% Discount |
| 351% - 400% of FPG | 79% Discount |

Memorial Primary Care Centers and Outpatient Behavioral Health

| BALANCES DUE FROM PATIENT | |
|---------------------------|---|
| INCOME | AMOUNT OF DISCOUNT |
| Up to 200% of FPG | 100% Discount |
| 201% - 250% of FPG | 90% Discount |
| 251% - 300% of FPG | 85% Discount |
| 301% - 350% of FPG | 82% Discount 83% Discount |
| 351% - 400% of FPG | 82% Discount 83% Discount |



APRIL 2025 MATERIALS

MEMORIAL HEALTHCARE SYSTEM

APRIL 2025

Dave Moore, ARM, CEBS, CPCU, Partner
Gary Wyniemko, CFA, Partner
Deirdre Robert, CFA, CAIA, Partner



TABLE OF CONTENTS

- **Post Tariff Market Update**
- **March 2025 Capital Market Update**
- **March 2025 Flash Reports**
- **Operating Plan – Asset Allocation Review**
- **Asset Class Education Overview**
- **Appendix**



POST TARIFF MARKET UPDATE



PROPRIETARY & CONFIDENTIAL

NEPC MARKET OUTLOOK



Recession risks are high should the effective tariff rate on imported goods remain above 20%, but we expect rates to be negotiated lower



Brace for volatility as tariff policy uncertainty and additional announcements are likely to continue buffeting equity markets



Periods of heightened market fear offer elevated long-term returns and we encourage rebalancing back into the S&P 500



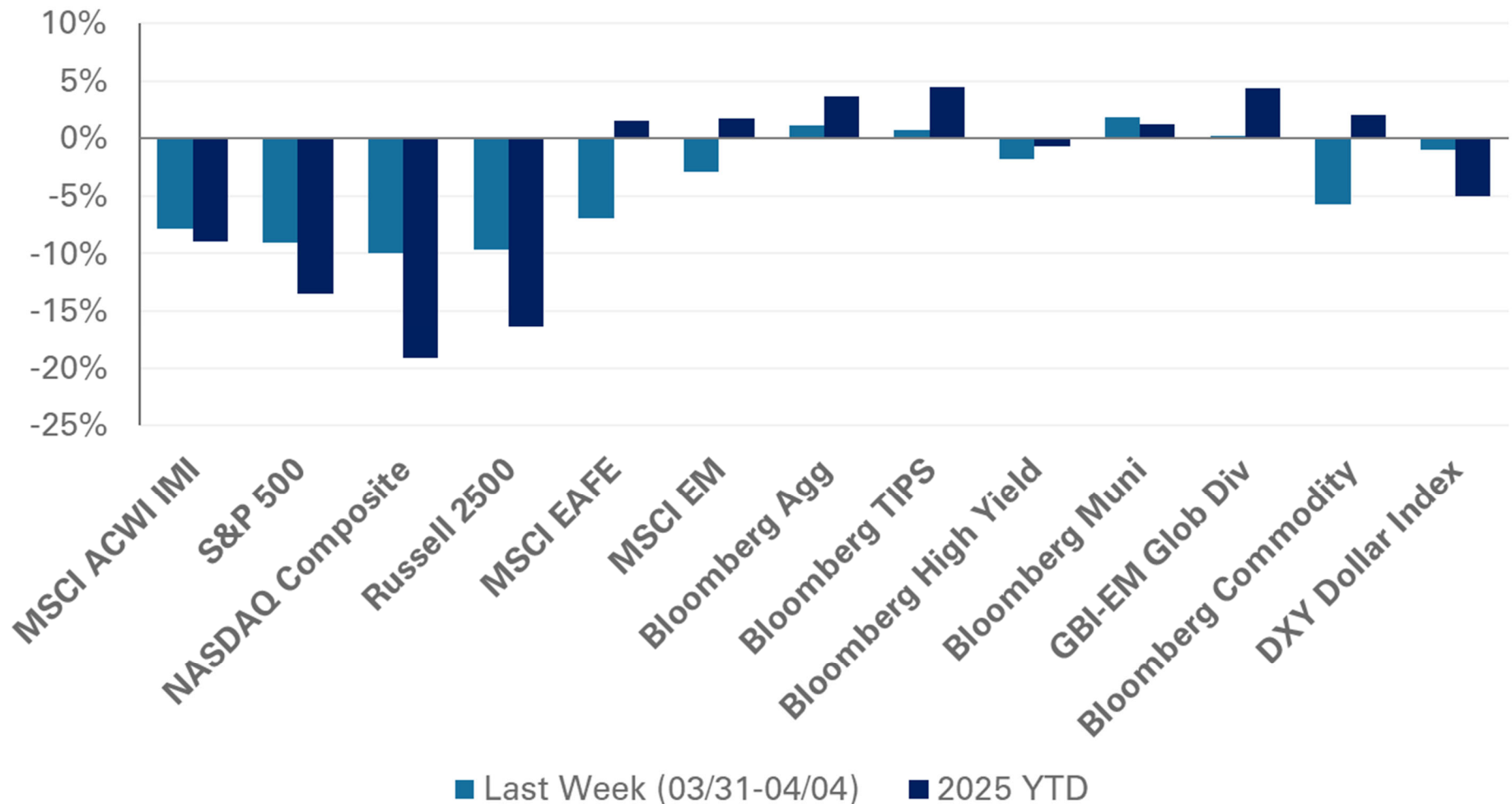
We recommend investors to ensure they have appropriate safe-haven fixed-income exposure and sufficient liquidity for cash flow needs



We urge investors to stay the course and not pull away from markets when panic takes hold; look for opportunities should the rout deepen

TARIFF AND RECESSION FEARS HIT MARKETS

TOTAL RETURNS FOR THE WEEK OF MARCH 31ST AND 2025



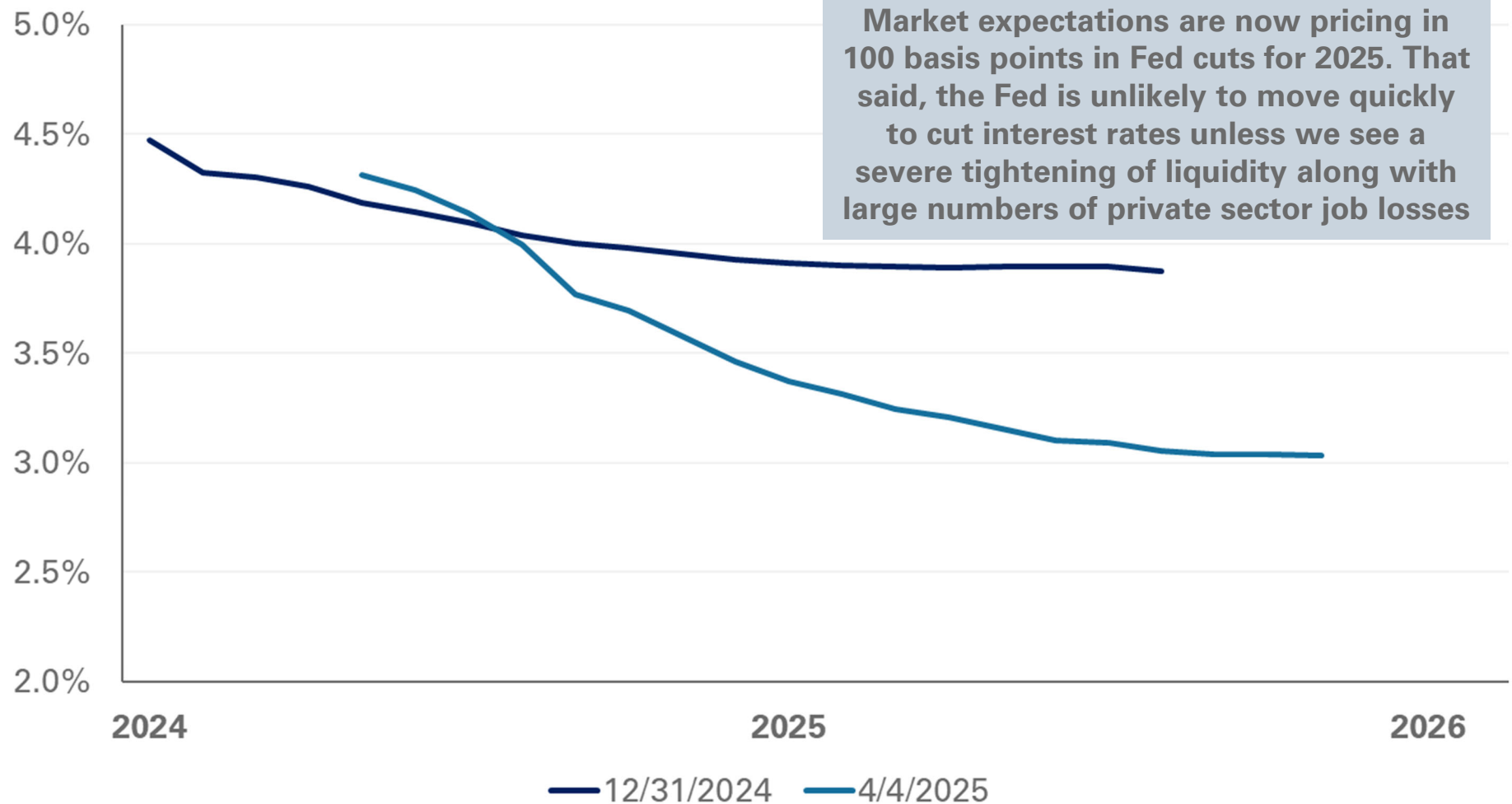
Note: Chart reflects data through April 4, 2025

Sources: S&P, Russell, MSCI, JPM, Bloomberg, FactSet



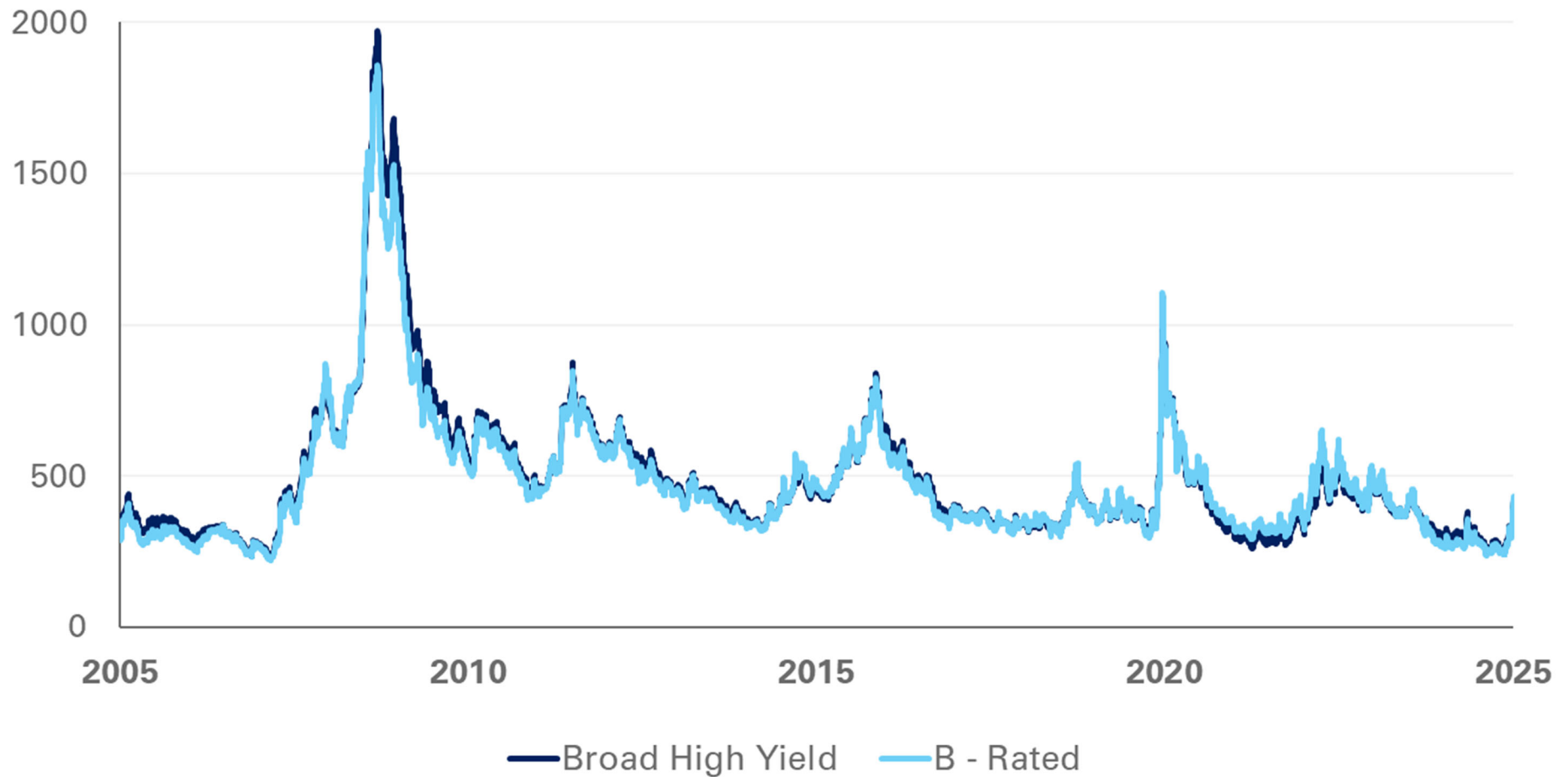
MARKETS ARE HOPING FOR MORE FED RATE CUTS

FED FUNDS FUTURES EXPECTATIONS



CREDIT IS NOT BLARING RECESSION ALARMS YET

U.S. HIGH YIELD OPTION-ADJUSTED SPREADS





MARCH 2025 CAPITAL MARKET UPDATE



PROPRIETARY & CONFIDENTIAL

TRAILING ANNUAL INDEX PERFORMANCE

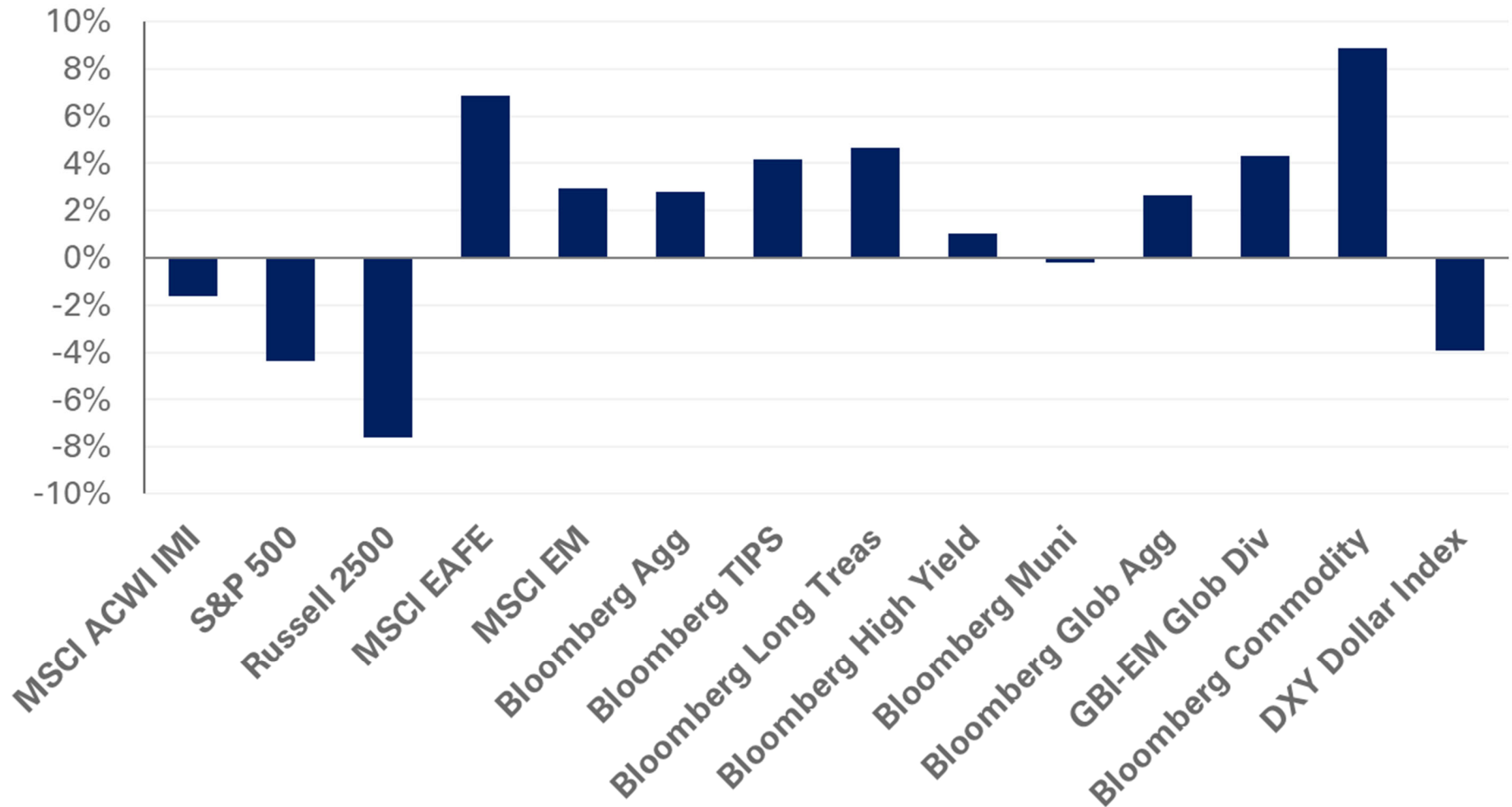
| Equity | | | | | | |
|--------------|--------|-------|-------|------|-------|-------|
| | Mar-25 | YTD | 1 YR | 3 YR | 5 YR | 10 YR |
| MSCI ACWI | -4.0% | -1.3% | 7.2% | 6.9% | 15.2% | 8.8% |
| S&P 500 | -5.6% | -4.3% | 8.3% | 9.1% | 18.6% | 12.5% |
| Russell 1000 | -5.8% | -4.5% | 7.8% | 8.7% | 18.5% | 12.2% |
| Russell 2000 | -6.8% | -9.5% | -4.0% | 0.5% | 13.3% | 6.3% |
| Russell 2500 | -6.3% | -7.5% | -3.1% | 1.8% | 14.9% | 7.5% |
| MSCI EAFE | -0.4% | 6.9% | 4.9% | 6.1% | 11.8% | 5.4% |
| MSCI EM | 0.6% | 2.9% | 8.1% | 1.4% | 7.9% | 3.7% |

| Credit | | | | | | |
|------------------------|--------|-------|-------|--------|--------|-------|
| | Mar-25 | YTD | 1 YR | 3 YR | 5 YR | 10 YR |
| BBG Global Agg | 0.6% | 2.6% | 3.0% | -1.6% | -1.4% | 0.6% |
| BBG US Agg | 0.0% | 2.8% | 4.9% | 0.5% | -0.4% | 1.5% |
| BBG Credit | -0.2% | 2.4% | 4.9% | 1.1% | 1.3% | 2.3% |
| BBG US HY | -1.0% | 1.0% | 7.7% | 5.0% | 7.3% | 5.0% |
| BBG Muni | -1.7% | -0.2% | 1.2% | 1.5% | 1.1% | 2.1% |
| BBG Muni HY | -1.2% | 0.8% | 5.6% | 2.9% | 4.3% | 4.3% |
| BBG TIPS | 0.6% | 4.2% | 6.2% | 0.1% | 2.4% | 2.5% |
| BBG 20+ STRIPS | -2.7% | 4.8% | -3.9% | -13.8% | -13.0% | -2.3% |
| BBG Long Treasuries | -0.9% | 4.7% | 1.3% | -7.2% | -7.9% | -0.6% |
| BBG Long Credit | -1.4% | 2.5% | 2.1% | -2.2% | -0.5% | 2.1% |
| BBG Govt/Credit 1-3 Yr | 0.5% | 1.6% | 5.6% | 3.1% | 1.6% | 1.7% |
| JPM EMBI Glob Div | -0.8% | 2.2% | 6.8% | 3.4% | 3.5% | 3.2% |
| JPM GBI-EM Glob Div | 1.5% | 4.3% | 4.0% | 2.7% | 2.3% | 1.3% |

| Real Assets | | | | | | |
|-------------------------|--------|------|-------|-------|-------|-------|
| | Mar-25 | YTD | 1 YR | 3 YR | 5 YR | 10 YR |
| BBG Commodity | 3.9% | 8.9% | 12.3% | -0.8% | 14.5% | 2.8% |
| Alerian Midstream Index | 1.8% | 6.3% | 39.5% | 19.8% | 33.6% | 7.4% |
| NAREIT Composite Index | -2.4% | 2.9% | 9.2% | -1.7% | 9.7% | 5.6% |

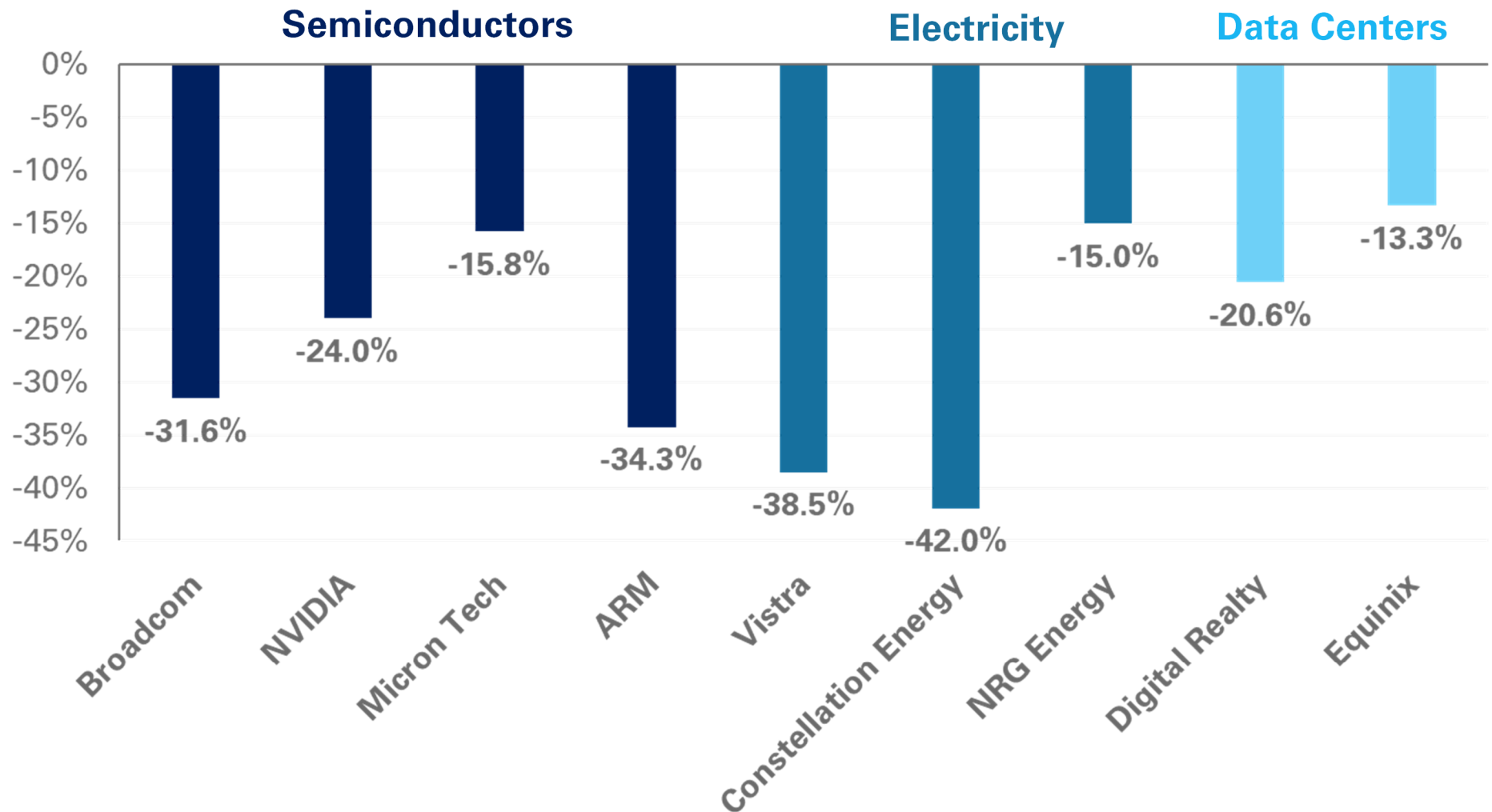
RISK-OFF U.S. POSTURE PERMEATED MARKETS

QUARTERLY TOTAL RETURNS



DEEPSEEK NEWS DISRUPTED THE A.I. NARRATIVE

QUARTERLY PRICE MOVES FOLLOWING JANUARY DEEPSEEK NEWS



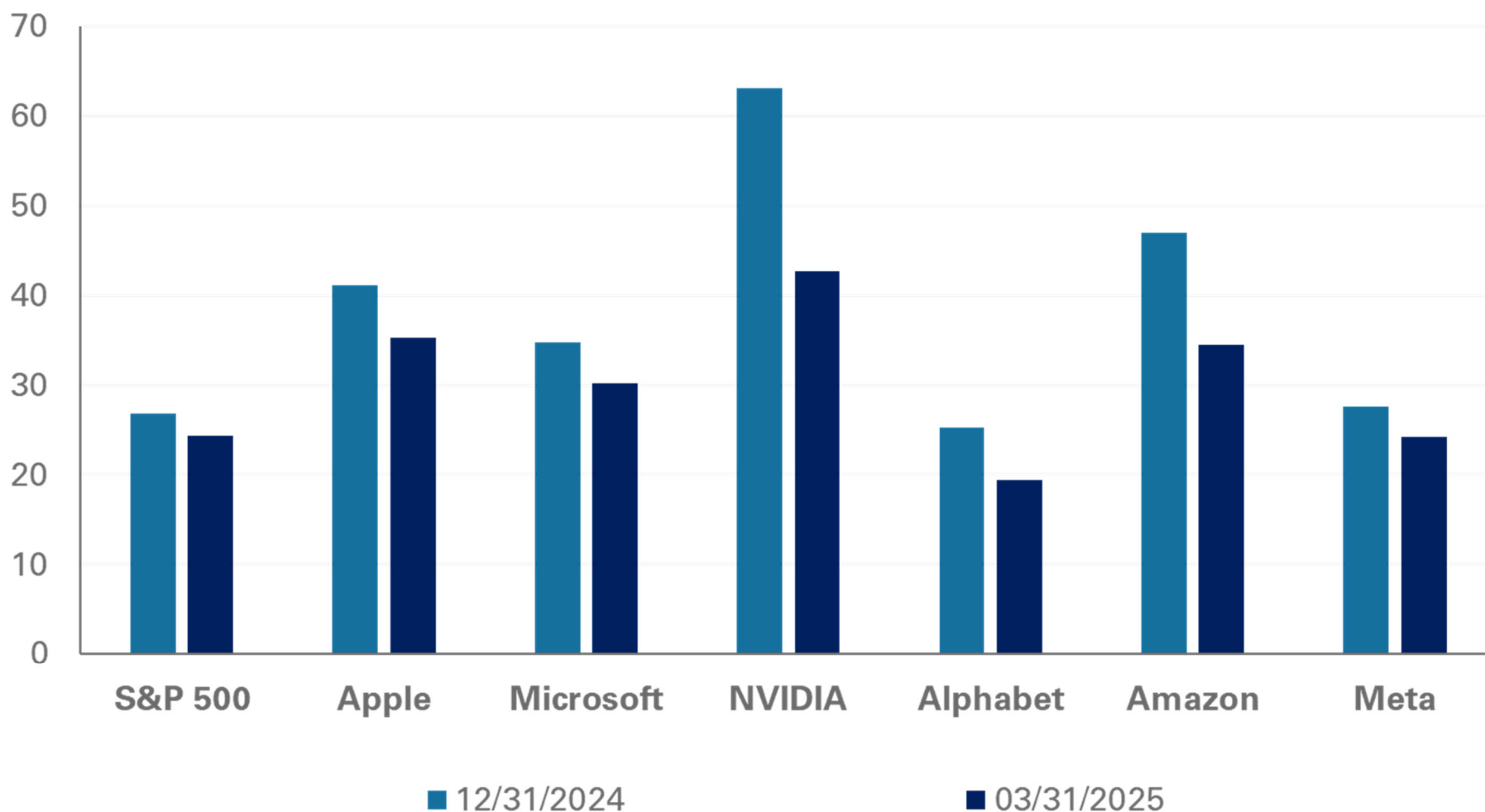
Note: Reflects returns 1/24/2025 to 3/31/2025

Source: FactSet



VALUATIONS COMPRESSED ACROSS TOP NAMES

CHANGE IN U.S. PRICE TO EARNINGS RATIOS



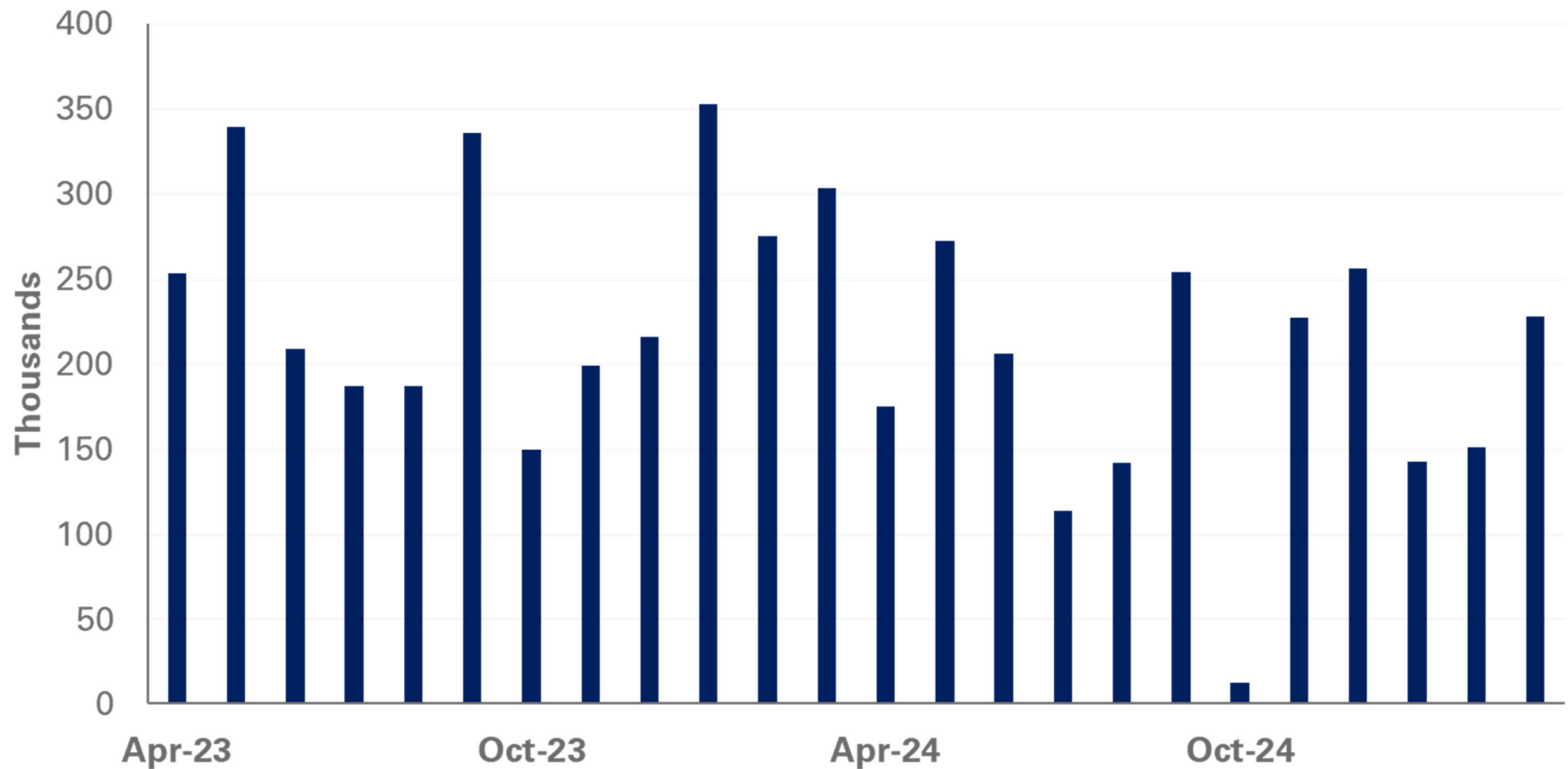
NON-U.S. RETURNS BOLSTERED BY WEAKER USD

DXY INDEX



FEDERAL CUTS HAVE YET TO IMPACT JOBS DATA

U.S. NONFARM PAYROLLS: MONTHLY JOBS ADDED



Sources: U.S. Bureau of Labor Statistics, FactSet




PERFORMANCE UPDATE

March 31, 2025



PROPRIETARY & CONFIDENTIAL



SOUTH BROWARD HOSPITAL DISTRICT – OPERATING FUNDS

March 31, 2025



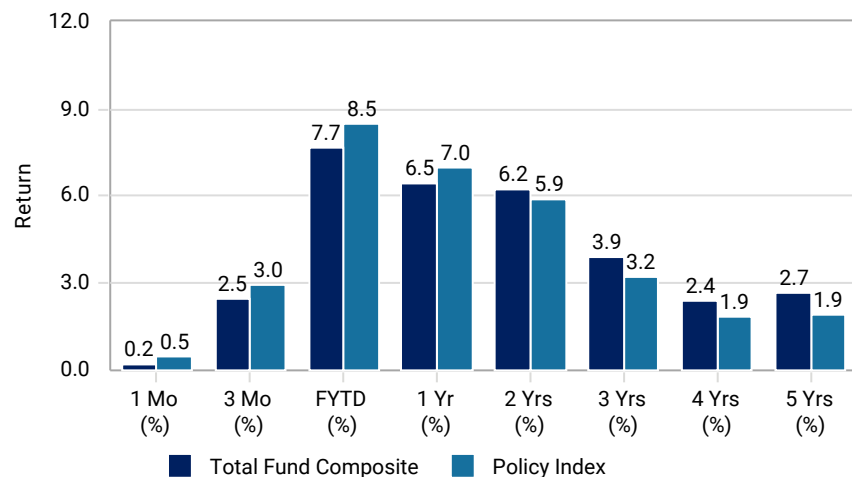
PROPRIETARY & CONFIDENTIAL

MHS Operating Plan

EXECUTIVE SUMMARY

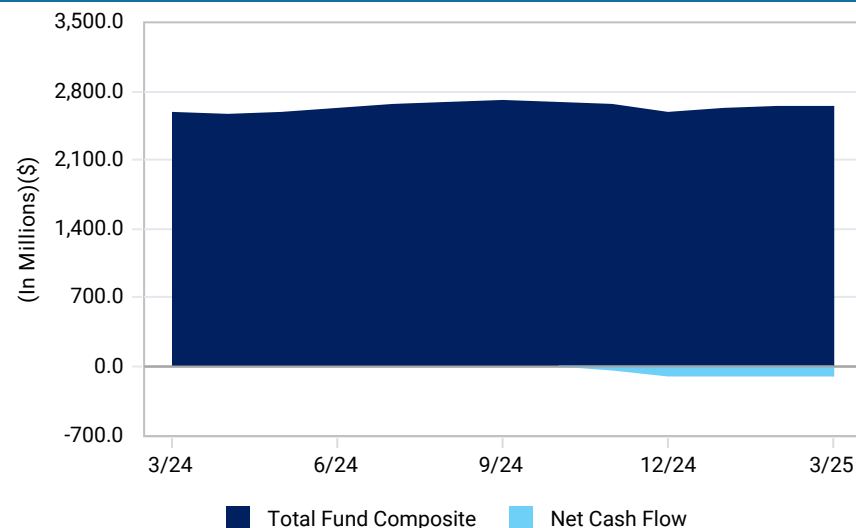
March 31, 2025

Return Summary
Ending March 31, 2025

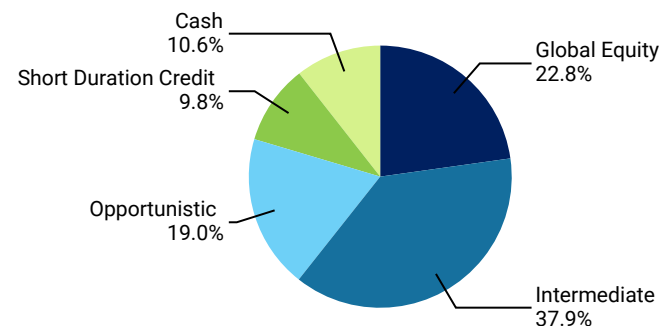


| | Current (\$) | Current (%) | Policy (%) | Differences (%) |
|-----------------------|----------------------|--------------|--------------|-----------------|
| Global Equity | 607,184,533 | 22.8 | 20.0 | 2.8 |
| Intermediate | 1,010,482,841 | 37.9 | 35.0 | 2.9 |
| Opportunistic | 506,156,932 | 19.0 | 20.0 | -1.0 |
| Short Duration Credit | 261,812,514 | 9.8 | 10.0 | -0.2 |
| Cash | 281,691,423 | 10.6 | 15.0 | -4.4 |
| Total | 2,667,328,244 | 100.0 | 100.0 | 0.0 |

Market Value History
1 Year Ending March 31, 2025



Current Allocation



Summary of Cash Flows

| | 1 Month | FYTD | 1 Year | 5 Years |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| Beginning Market Value | 2,662,083,841 | 2,571,092,637 | 2,601,159,732 | 2,203,237,124 |
| Net Cash Flow | | -100,045,068 | -100,045,068 | 128,707,196 |
| Net Investment Change | 5,244,403 | 196,280,675 | 166,213,581 | 335,383,924 |
| Ending Market Value | 2,667,328,244 | 2,667,328,244 | 2,667,328,244 | 2,667,328,244 |

TOTAL FUND PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | | |
|---|----------------------|----------------|-----------------|------------|------------|------------|------------|------------|------------|------------|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | FYTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 4 Yrs (%) | 5 Yrs (%) |
| Total Fund Composite | 2,667,328,244 | 100.0 | 0.2 | 2.5 | 7.7 | 6.5 | 6.2 | 3.9 | 2.4 | 2.7 |
| Policy Index | | | 0.5 | 3.0 | 8.5 | 7.0 | 5.9 | 3.2 | 1.9 | 1.9 |
| Fixed Income Composite | 1,778,452,288 | 66.7 | 0.4 | 2.5 | 7.2 | 5.9 | 4.6 | 2.6 | 0.8 | 1.0 |
| Short Term Composite | 261,812,514 | 9.8 | 0.5 | 2.1 | 6.6 | 5.9 | 4.6 | 3.1 | 1.2 | 1.2 |
| Blmbg. 1-5 Year Gov/Credit | | | 0.5 | 2.0 | 6.5 | 5.7 | 4.4 | 2.8 | 1.1 | 1.3 |
| Lord Abbett Short Duration | 131,731,674 | 4.9 | 0.5 | 2.1 | 6.6 | 5.9 | 4.7 | 3.1 | | |
| Blmbg. 1-5 Year Gov/Credit | | | 0.5 | 2.0 | 6.5 | 5.7 | 4.4 | 2.8 | | |
| Loop Capital Asset Management | 130,080,840 | 4.9 | 0.5 | 2.1 | 6.6 | 6.0 | 4.6 | 3.0 | 1.2 | 1.2 |
| Blmbg. 1-5 Year Gov/Credit | | | 0.5 | 2.0 | 6.5 | 5.7 | 4.4 | 2.8 | 1.1 | 1.3 |
| Intermediate Term Composite | 1,010,482,841 | 37.9 | 0.4 | 2.4 | 7.2 | 5.9 | 4.6 | 2.6 | 0.8 | 1.0 |
| Blmbg. Intermed. U.S. Government/Credit | | | 0.4 | 2.4 | 7.1 | 5.7 | 4.2 | 2.2 | 0.6 | 0.9 |
| Galliard Intermediate Government | 245,687,168 | 9.2 | 0.3 | 2.5 | 7.7 | 6.2 | 4.9 | 2.7 | 1.0 | 1.1 |
| Blmbg. Intermed. U.S. Government/Credit | | | 0.4 | 2.4 | 7.1 | 5.7 | 4.2 | 2.2 | 0.6 | 0.9 |
| Merganser Intermediate Bond | 238,178,961 | 8.9 | 0.4 | 2.6 | 7.2 | 6.0 | 4.7 | 2.6 | 0.8 | 1.0 |
| Blmbg. Intermed. U.S. Government/Credit | | | 0.4 | 2.4 | 7.1 | 5.7 | 4.2 | 2.2 | 0.6 | 0.9 |
| Fort Washington Intermediate Bond | 203,748,834 | 7.6 | 0.3 | 2.4 | 7.0 | 5.7 | 4.4 | 2.4 | | |
| Blmbg. Intermed. U.S. Government/Credit | | | 0.4 | 2.4 | 7.1 | 5.7 | 4.2 | 2.2 | | |
| Lord Abbett Intermediate Bond | 234,522,732 | 8.8 | 0.4 | 2.4 | 7.2 | 5.8 | 4.4 | 2.4 | | |
| Blmbg. Intermed. U.S. Government/Credit | | | 0.4 | 2.4 | 7.1 | 5.7 | 4.2 | 2.2 | | |
| PFM - Self Insurance Fund | 48,995,266 | 1.8 | 0.5 | 2.0 | 6.6 | 5.9 | 4.7 | 3.0 | 1.3 | 1.4 |
| ICE BofA 1-5 Yr Treasury & Agency | | | 0.5 | 2.0 | 6.3 | 5.5 | 4.0 | 2.5 | 0.9 | 0.7 |
| PFM - Disability Fund | 21,688,156 | 0.8 | 0.5 | 2.0 | 6.6 | 5.9 | 4.6 | 3.0 | 1.3 | 1.4 |
| ICE BofA 1-5 Yr Treasury & Agency | | | 0.5 | 2.0 | 6.3 | 5.5 | 4.0 | 2.5 | 0.9 | 0.7 |
| PFM - Workmen's Compensation Fund | 11,846,315 | 0.4 | 0.4 | 1.5 | 5.7 | 5.5 | 4.7 | 3.3 | 1.9 | 1.6 |
| ICE BofA U.S. Agencies, 1-3yr | | | 0.4 | 1.4 | 5.5 | 5.3 | 4.4 | 3.0 | 1.5 | 1.4 |
| PFM - Health & Dental Fund | 5,815,410 | 0.2 | 0.4 | 1.5 | 5.7 | 5.6 | 4.7 | 3.3 | 1.8 | 1.6 |
| ICE BofA U.S. Agencies, 1-3yr | | | 0.4 | 1.4 | 5.5 | 5.3 | 4.4 | 3.0 | 1.5 | 1.4 |

TOTAL FUND PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | | |
|--|--------------------|----------------|-----------------|------------|-------------|------------|-------------|------------|------------|-------------|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | FYTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 4 Yrs (%) | 5 Yrs (%) |
| Opportunistic Composite | 506,156,932 | 19.0 | 0.3 | 2.7 | 7.6 | 6.0 | 4.5 | 2.3 | 0.7 | 0.8 |
| Blmbg. U.S. Intermediate Aggregate | | | 0.3 | 2.6 | 7.6 | 5.6 | 3.9 | 1.6 | 0.1 | 0.4 |
| Galliard Opportunistic | 156,505,971 | 5.9 | 0.3 | 2.8 | 8.1 | 6.2 | 4.6 | 2.2 | 0.6 | 0.8 |
| Blmbg. U.S. Intermediate Aggregate | | | 0.3 | 2.6 | 7.6 | 5.6 | 3.9 | 1.6 | 0.1 | 0.4 |
| Merganser Opportunistic | 156,374,383 | 5.9 | 0.4 | 2.8 | 7.4 | 6.0 | 4.5 | 2.4 | 0.8 | 0.8 |
| Blmbg. U.S. Intermediate Aggregate | | | 0.3 | 2.6 | 7.6 | 5.6 | 3.9 | 1.6 | 0.1 | 0.4 |
| Fort Washington Active Fixed Income | 193,276,578 | 7.2 | 0.3 | 2.6 | 7.3 | 5.7 | 4.5 | 2.4 | | |
| Blmbg. U.S. Intermediate Aggregate | | | 0.3 | 2.6 | 7.6 | 5.6 | 3.9 | 1.6 | | |
| Global Equity Composite | 607,184,533 | 22.8 | -0.4 | 3.0 | 11.1 | 8.8 | 12.0 | 7.7 | 7.3 | 11.0 |
| MSCI AC World Minimum Volatility Index (Net) | | | 1.0 | 6.2 | 16.0 | 12.9 | 12.0 | 5.6 | 6.4 | 9.7 |
| Vanguard Global Minimum Volatility Equity | 291,960,746 | 10.9 | 0.8 | 6.1 | 13.9 | 10.7 | 13.2 | 8.6 | 7.8 | 11.1 |
| MSCI AC World Minimum Volatility Index (Net) | | | 1.0 | 6.2 | 16.0 | 12.9 | 12.0 | 5.6 | 6.4 | 9.7 |
| Parametric Global Defensive Equity | 315,223,787 | 11.8 | -1.6 | 0.4 | 8.7 | 7.1 | 11.0 | 7.0 | 6.8 | 10.8 |
| 50% MSCI ACWI / 50% 90 Day T-Bill | | | -1.8 | -0.1 | 7.7 | 6.2 | 10.1 | 5.9 | 5.4 | 9.0 |
| Cash Composite | 281,691,423 | 10.6 | 0.4 | 1.1 | 4.7 | 5.1 | 5.2 | 4.3 | 3.2 | 2.6 |
| 90 Day U.S. Treasury Bill | | | 0.3 | 1.0 | 4.5 | 5.0 | 5.1 | 4.2 | 3.2 | 2.6 |
| PNC Treasury Management | 281,687,139 | 10.6 | 0.4 | 1.1 | 4.7 | 5.1 | 5.2 | 4.3 | 3.2 | 2.6 |
| 90 Day U.S. Treasury Bill | | | 0.3 | 1.0 | 4.5 | 5.0 | 5.1 | 4.2 | 3.2 | 2.6 |
| U.S. Bank Cash | 4,285 | 0.0 | | | | | | | | |
| 90 Day U.S. Treasury Bill | | | 0.3 | 1.0 | 4.5 | 5.0 | 5.1 | 4.2 | 3.2 | 2.6 |

* All data prior to 5/2023 was received from Marquette Associates.

* Policy Index consist of 35% Bloomberg Intermediate U.S. Gov/Credit, 20% Bloomberg U.S. Intermediate Aggregate, 10% Bloomberg 1-5 Year Gov/Credit, 20% MSCI AC World Minimum Volatility Index (Net), and 15% 90 Day U.S. T-Bills.

TOTAL FUND PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | | | |
|---|-------------------|----------------|-----------------|------|------|------|------|------|------|------|------|
| | Market Value (\$) | % of Portfolio | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Total Fund Composite | 2,667,328,244 | 100.0 | 5.7 | 6.7 | -5.9 | 1.1 | 3.9 | 5.3 | 1.2 | 1.3 | 1.1 |
| Policy Index | | | 5.0 | 5.7 | -7.1 | 1.0 | 3.9 | 5.7 | 1.2 | 0.8 | 0.9 |
| Short Term Composite | 261,812,514 | 9.8 | 4.2 | 5.1 | -5.2 | -1.0 | 3.2 | 3.5 | 1.6 | 0.7 | 0.8 |
| Blmbg. 1-5 Year Gov/Credit | | | 3.8 | 4.9 | -5.5 | -1.0 | 4.7 | 5.0 | 1.4 | 1.3 | 1.6 |
| Lord Abbett Short Duration | 131,731,674 | 4.9 | 4.1 | 5.1 | -4.9 | | | | | | |
| Blmbg. 1-5 Year Gov/Credit | | | 3.8 | 4.9 | -5.5 | | | | | | |
| Loop Capital Asset Management | 130,080,840 | 4.9 | 4.2 | 5.1 | -5.6 | -0.9 | 3.2 | 3.5 | 1.6 | 0.7 | 1.0 |
| Blmbg. 1-5 Year Gov/Credit | | | 3.8 | 4.9 | -5.5 | -1.0 | 4.7 | 5.0 | 1.4 | 1.3 | 1.6 |
| Intermediate Term Composite | 1,010,482,841 | 37.9 | 3.6 | 5.5 | -7.5 | -1.0 | 4.8 | 4.6 | 1.5 | 1.3 | 1.2 |
| Blmbg. Intermed. U.S. Government/Credit | | | 3.0 | 5.2 | -8.2 | -1.4 | 6.4 | 6.8 | 0.9 | 2.1 | 2.1 |
| Galliard Intermediate Government | 245,687,168 | 9.2 | 3.9 | 5.8 | -8.1 | -0.6 | 5.1 | 4.6 | 1.5 | 1.4 | 1.3 |
| Blmbg. Intermed. U.S. Government/Credit | | | 3.0 | 5.2 | -8.2 | -1.4 | 6.4 | 6.8 | 0.9 | 2.1 | 2.1 |
| Merganser Intermediate Bond | 238,178,961 | 8.9 | 3.5 | 5.5 | -7.6 | -1.0 | 4.6 | 4.6 | 1.5 | 1.3 | 1.2 |
| Blmbg. Intermed. U.S. Government/Credit | | | 3.0 | 5.2 | -8.2 | -1.4 | 6.4 | 6.8 | 0.9 | 2.1 | 2.1 |
| Fort Washington Intermediate Bond | 203,748,834 | 7.6 | 3.2 | 5.6 | -7.9 | | | | | | |
| Blmbg. Intermed. U.S. Government/Credit | | | 3.0 | 5.2 | -8.2 | | | | | | |
| Lord Abbett Intermediate Bond | 234,522,732 | 8.8 | 3.3 | 5.5 | -7.7 | | | | | | |
| Blmbg. Intermed. U.S. Government/Credit | | | 3.0 | 5.2 | -8.2 | | | | | | |
| PFM - Self Insurance Fund | 48,995,266 | 1.8 | 4.1 | 5.0 | -5.0 | -0.9 | 4.6 | 4.6 | 1.4 | 1.1 | 1.3 |
| ICE BofA 1-5 Yr Treasury & Agency | | | 3.4 | 4.3 | -5.2 | -1.1 | 4.2 | 4.2 | 1.5 | 0.7 | 1.1 |
| PFM - Disability Fund | 21,688,156 | 0.8 | 4.0 | 5.0 | -5.1 | -0.9 | 4.6 | 4.6 | 1.3 | 1.1 | 1.3 |
| ICE BofA 1-5 Yr Treasury & Agency | | | 3.4 | 4.3 | -5.2 | -1.1 | 4.2 | 4.2 | 1.5 | 0.7 | 1.1 |
| PFM - Workmen's Compensation Fund | 11,846,315 | 0.4 | 4.5 | 5.1 | -3.0 | -0.5 | 2.8 | 3.5 | 1.6 | 0.7 | 1.0 |
| ICE BofA U.S. Agencies, 1-3yr | | | 4.3 | 4.7 | -3.7 | -0.4 | 2.7 | 3.5 | 1.8 | 0.7 | 1.0 |
| PFM - Health & Dental Fund | 5,815,410 | 0.2 | 4.6 | 5.0 | -3.1 | -0.5 | 2.8 | 3.5 | 1.7 | 0.7 | 1.0 |
| ICE BofA U.S. Agencies, 1-3yr | | | 4.3 | 4.7 | -3.7 | -0.4 | 2.7 | 3.5 | 1.8 | 0.7 | 1.0 |

TOTAL FUND PERFORMANCE DETAIL


| | Allocation | | Performance (%) | | | | | | | | | |
|--|-------------------|----------------|-----------------|------|-------|------|------|------|------|------|------|--|
| | Market Value (\$) | % of Portfolio | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | |
| Opportunistic Composite | 506,156,932 | 19.0 | 3.1 | 5.7 | -8.5 | -1.4 | 6.3 | 5.9 | 1.3 | 2.0 | 1.6 | |
| Blmbg. U.S. Intermediate Aggregate | | | 2.5 | 5.2 | -9.5 | -1.3 | 5.6 | 6.7 | 0.9 | 2.3 | 2.0 | |
| Galliard Opportunistic | 156,505,971 | 5.9 | 3.3 | 5.7 | -9.2 | -1.1 | 6.6 | 5.9 | 1.3 | 2.2 | 1.6 | |
| Blmbg. U.S. Intermediate Aggregate | | | 2.5 | 5.2 | -9.5 | -1.3 | 5.6 | 6.7 | 0.9 | 2.3 | 2.0 | |
| Merganser Opportunistic | 156,374,383 | 5.9 | 3.1 | 5.6 | -8.3 | -1.4 | 5.9 | 5.8 | 1.4 | 1.7 | 1.6 | |
| Blmbg. U.S. Intermediate Aggregate | | | 2.5 | 5.2 | -9.5 | -1.3 | 5.6 | 6.7 | 0.9 | 2.3 | 2.0 | |
| Fort Washington Active Fixed Income | 193,276,578 | 7.2 | 3.0 | 5.8 | -8.2 | | | | | | | |
| Blmbg. U.S. Intermediate Aggregate | | | 2.5 | 5.2 | -9.5 | | | | | | | |
| Global Equity Composite | 607,184,533 | 22.8 | 13.0 | 11.2 | -6.0 | 12.7 | 1.4 | 17.0 | | | | |
| MSCI AC World Minimum Volatility Index (Net) | | | 11.4 | 7.7 | -10.3 | 13.9 | 2.7 | 21.1 | | | | |
| Vanguard Global Minimum Volatility Equity | 291,960,746 | 10.9 | 13.5 | 8.0 | -4.5 | 12.0 | -3.9 | 22.7 | | | | |
| MSCI AC World Minimum Volatility Index (Net) | | | 11.4 | 7.7 | -10.3 | 13.9 | 2.7 | 21.1 | | | | |
| Parametric Global Defensive Equity | 315,223,787 | 11.8 | 12.7 | 14.6 | -7.5 | 13.1 | 2.6 | 14.1 | | | | |
| 50% MSCI ACWI / 50% 90 Day T-Bill | | | 11.3 | 13.6 | -8.5 | 9.0 | 9.1 | 14.1 | | | | |
| Cash Composite | 281,691,423 | 10.6 | 5.3 | 5.1 | 1.3 | 0.1 | 0.8 | 2.4 | 1.9 | 0.9 | 0.5 | |
| PNC Treasury Management | 281,687,139 | 10.6 | 5.3 | 5.1 | 1.3 | 0.1 | 0.8 | 2.4 | 1.9 | 0.9 | 0.5 | |
| 90 Day U.S. Treasury Bill | | | 5.3 | 5.0 | 1.5 | 0.0 | 0.7 | 2.3 | 1.9 | 0.9 | 0.3 | |
| U.S. Bank Cash | 4,285 | 0.0 | | | | | | | | | | |
| 90 Day U.S. Treasury Bill | | | 5.3 | 5.0 | 1.5 | 0.0 | 0.7 | 2.3 | | | | |

* All data prior to 5/2023 was received from Marquette Associates.

* Policy Index consist of 35% Bloomberg Intermediate U.S. Gov/Credit, 20% Bloomberg U.S. Intermediate Aggregate, 10% Bloomberg 1-5 Year Gov/Credit, 20% MSCI AC World Minimum Volatility Index (Net), and 15% 90 Day U.S. T-Bills.

CASH FLOW SUMMARY BY MANAGER

| | 1 Month Ending March 31, 2025 | | | | | |
|---|-------------------------------|---------------|-------------|-------------------|--------------------|------------------------|
| | Beginning Market Value | Contributions | Withdrawals | Net Cash Flows | Gain/Loss | Ending Market Value |
| Lord Abnett Short Duration | \$131,024,738 | - | - | - | \$706,936 | \$131,731,674 |
| Loop Capital Asset Management | \$129,445,504 | - | - | - | \$635,336 | \$130,080,840 |
| Galliard Intermediate Government | \$244,844,070 | - | - | - | \$843,098 | \$245,687,168 |
| Merganser Intermediate Bond | \$237,145,425 | - | - | - | \$1,033,535 | \$238,178,961 |
| Fort Washington Intermediate Bond | \$203,064,352 | - | - | - | \$684,482 | \$203,748,834 |
| Lord Abnett Intermediate Bond | \$233,473,479 | - | - | - | \$1,049,253 | \$234,522,732 |
| PFM - Self Insurance Fund | \$48,761,718 | - | - | - | \$233,548 | \$48,995,266 |
| PFM - Disability Fund | \$21,583,784 | - | - | - | \$104,371 | \$21,688,156 |
| PFM - Workmen's Compensation Fund | \$11,793,805 | - | - | - | \$52,510 | \$11,846,315 |
| PFM - Health & Dental Fund | \$5,789,628 | - | - | - | \$25,782 | \$5,815,410 |
| Galliard Opportunistic | \$156,025,122 | - | - | - | \$480,849 | \$156,505,971 |
| Merganser Opportunistic | \$155,743,528 | - | - | - | \$630,855 | \$156,374,383 |
| Fort Washington Active Fixed Income | \$192,781,767 | - | - | - | \$494,810 | \$193,276,578 |
| Vanguard Global Minimum Volatility Equity | \$289,725,212 | - | - | - | \$2,235,534 | \$291,960,746 |
| Parametric Global Defensive Equity | \$320,195,334 | - | - | - | -\$4,971,547 | \$315,223,787 |
| PNC Treasury Management | \$280,682,102 | - | - | - | \$1,005,036 | \$281,687,139 |
| U.S. Bank Cash | \$4,271 | - | - | - | \$14 | \$4,285 |
| Total | \$2,662,083,841 | - | - | - | \$5,244,403 | \$2,667,328,244 |



SOUTH BROWARD HOSPITAL DISTRICT – RETIREMENT PLAN

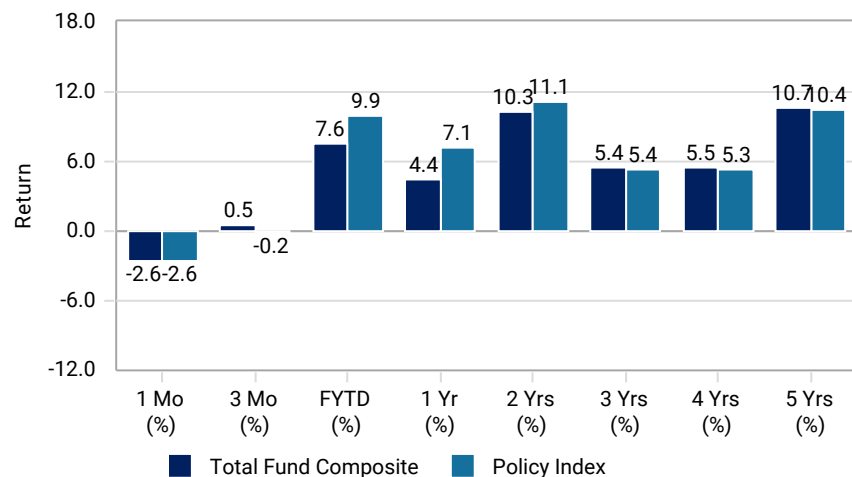
March 31, 2025



PROPRIETARY & CONFIDENTIAL

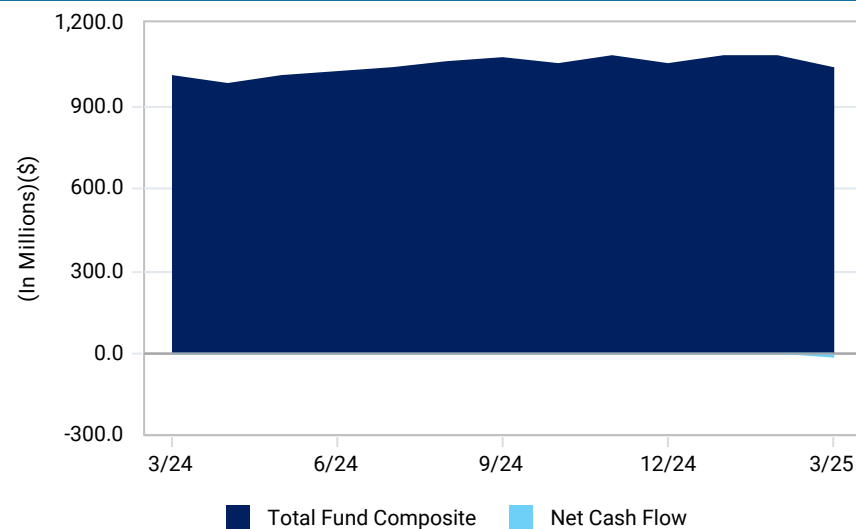
EXECUTIVE SUMMARY

Return Summary
Ending March 31, 2025

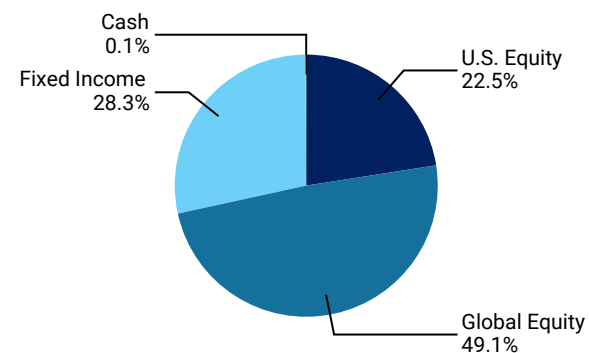


| | Current (\$) | Current (%) | Policy (%) | Differences (%) |
|---------------|----------------------|--------------|--------------|-----------------|
| U.S. Equity | 234,827,626 | 22.5 | 20.0 | 2.5 |
| Global Equity | 511,650,132 | 49.1 | 45.0 | 4.1 |
| Fixed Income | 295,458,414 | 28.3 | 35.0 | -6.7 |
| Cash | 1,079,720 | 0.1 | 0.0 | 0.1 |
| Total | 1,043,015,892 | 100.0 | 100.0 | 0.0 |

Market Value History
1 Year Ending March 31, 2025



Current Allocation



Summary of Cash Flows

| | 1 Month | FYTD | 1 Year | 5 Years |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| Beginning Market Value | 1,085,319,881 | 987,517,133 | 1,015,375,773 | 639,811,720 |
| Net Cash Flow | -14,784,897 | -19,683,863 | -17,642,088 | -27,710,664 |
| Net Investment Change | -27,519,093 | 75,182,623 | 45,282,207 | 430,914,835 |
| Ending Market Value | 1,043,015,892 | 1,043,015,892 | 1,043,015,892 | 1,043,015,892 |

TOTAL FUND PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | | |
|---|----------------------|----------------|-----------------|-------------|-------------|------------|-------------|------------|------------|-------------|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | FYTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 4 Yrs (%) | 5 Yrs (%) |
| Total Fund Composite | 1,043,015,892 | 100.0 | -2.6 | 0.5 | 7.6 | 4.4 | 10.3 | 5.4 | 5.5 | 10.7 |
| Policy Index | | | -2.6 | -0.2 | 9.9 | 7.1 | 11.1 | 5.4 | 5.3 | 10.4 |
| Fixed Income Composite | 295,458,414 | 28.3 | -0.1 | 2.2 | 7.3 | 5.4 | 5.3 | 2.5 | 1.2 | 2.1 |
| Custom Index | | | 0.0 | 2.3 | 7.3 | 5.5 | 4.8 | 2.2 | 1.0 | 1.8 |
| C.S. McKee Aggregate Fixed Income | 192,844,226 | 18.5 | 0.0 | 2.7 | 7.9 | 5.0 | 3.8 | 0.8 | -0.5 | 0.1 |
| Blmbg. U.S. Aggregate Index | | | 0.0 | 2.8 | 7.6 | 4.9 | 3.3 | 0.5 | -0.7 | -0.4 |
| Chartwell High Yield | 46,599,392 | 4.5 | 0.0 | 1.5 | 6.6 | 6.3 | 7.2 | 5.1 | 3.5 | 5.2 |
| ICE BofA U.S. High Yield Cash Pay BB 1-3 Year | | | -0.1 | 1.4 | 6.8 | 6.7 | 7.3 | 5.5 | 4.0 | 6.1 |
| Aristotle Floating Rate Income | 56,011,405 | 5.4 | -0.4 | 0.4 | 5.0 | 5.5 | 8.9 | 6.8 | 5.9 | 7.6 |
| S&P UBS Leveraged Loan Index | | | -0.3 | 0.6 | 6.3 | 7.0 | 9.7 | 7.1 | 6.1 | 8.9 |
| Wellington LCP Legacy Portfolio | 3,391 | 0.0 | | | | | | | | |
| U.S. Equity Composite | 234,827,626 | 22.5 | -4.4 | -3.2 | 10.7 | 7.3 | 14.9 | 7.6 | 8.6 | 15.5 |
| CRSP U.S. Total Market TR Index | | | -5.9 | -4.8 | 12.0 | 7.1 | 17.7 | 8.1 | 9.0 | 18.1 |
| Vanguard Total Stock Market Fund | 117,587,820 | 11.3 | -5.8 | -4.8 | 12.0 | 7.2 | 17.7 | 8.1 | 9.0 | 18.1 |
| CRSP U.S. Total Market TR Index | | | -5.9 | -4.8 | 12.0 | 7.1 | 17.7 | 8.1 | 9.0 | 18.1 |
| Parametric Defensive Equity | 117,239,806 | 11.2 | -2.9 | -1.5 | 9.4 | 7.4 | 12.5 | 7.3 | 8.3 | 12.5 |
| 50% S&P 500/50% 90 Day T-Bill | | | -2.7 | -1.6 | 8.8 | 6.8 | 11.9 | 7.0 | 7.2 | 10.7 |
| Global Equity Composite | 511,650,132 | 49.1 | -3.1 | 1.4 | 6.4 | 2.6 | 11.5 | 6.3 | 6.9 | 14.7 |
| MSCI AC World Index (Net) | | | -4.0 | -1.3 | 10.8 | 7.2 | 14.9 | 6.9 | 7.0 | 15.2 |
| Dodge & Cox | 214,036,679 | 20.5 | -1.2 | 6.1 | 8.1 | 5.5 | 13.0 | 7.3 | 8.1 | 18.6 |
| MSCI AC World Index Value (Net) | | | -1.0 | 4.8 | 12.0 | 8.6 | 13.2 | 6.6 | 7.1 | 14.4 |
| Walter Scott & Partners | 238,633,206 | 22.9 | -5.6 | -3.5 | 3.3 | -1.7 | 9.9 | 4.9 | 5.6 | 12.3 |
| MSCI World Growth (Net) | | | -7.5 | -7.8 | 9.8 | 5.4 | 17.6 | 7.6 | 8.0 | 16.6 |
| Vanguard Global Minimum Volatility | 58,980,246 | 5.7 | 0.8 | 6.1 | 13.9 | 10.7 | 13.2 | 8.5 | 7.8 | 11.1 |
| MSCI AC World Minimum Volatility Index (Net) | | | 1.0 | 6.2 | 16.0 | 12.9 | 12.0 | 5.6 | 6.4 | 9.7 |
| Cash Composite | 1,079,720 | 0.1 | 0.3 | 1.1 | 4.4 | 4.8 | 5.0 | 3.7 | 2.8 | 2.2 |
| 90 Day U.S. Treasury Bill | | | 0.3 | 1.0 | 4.5 | 5.0 | 5.1 | 4.2 | 3.2 | 2.6 |

- All data is preliminary. Chartwell February value is rolled, March statement not available yet.
- Memorial Health Systems' Fiscal Year ends in April.
- All data prior to 5/2023 was received from Marquette Associates.
- Policy Index consist of 40% MSCI ACWI, 5% MSCI ACWI Minimum Volatility, 25% Bloomberg U.S. Aggregate, 10% CRSP US Total Market Index, 10% CBOE Put Write Index, 5% BofAML 1-3 Year High Yield BB, and 5% Credit Suisse Leveraged Loan Index.
- Custom Index consist of 71.4% Bloomberg U.S. Aggregate, 14.3% BofA Merrill Lynch 1-3 Yrs High Yield BB, and 14.3% Credit Suisse Leveraged Loan Index.

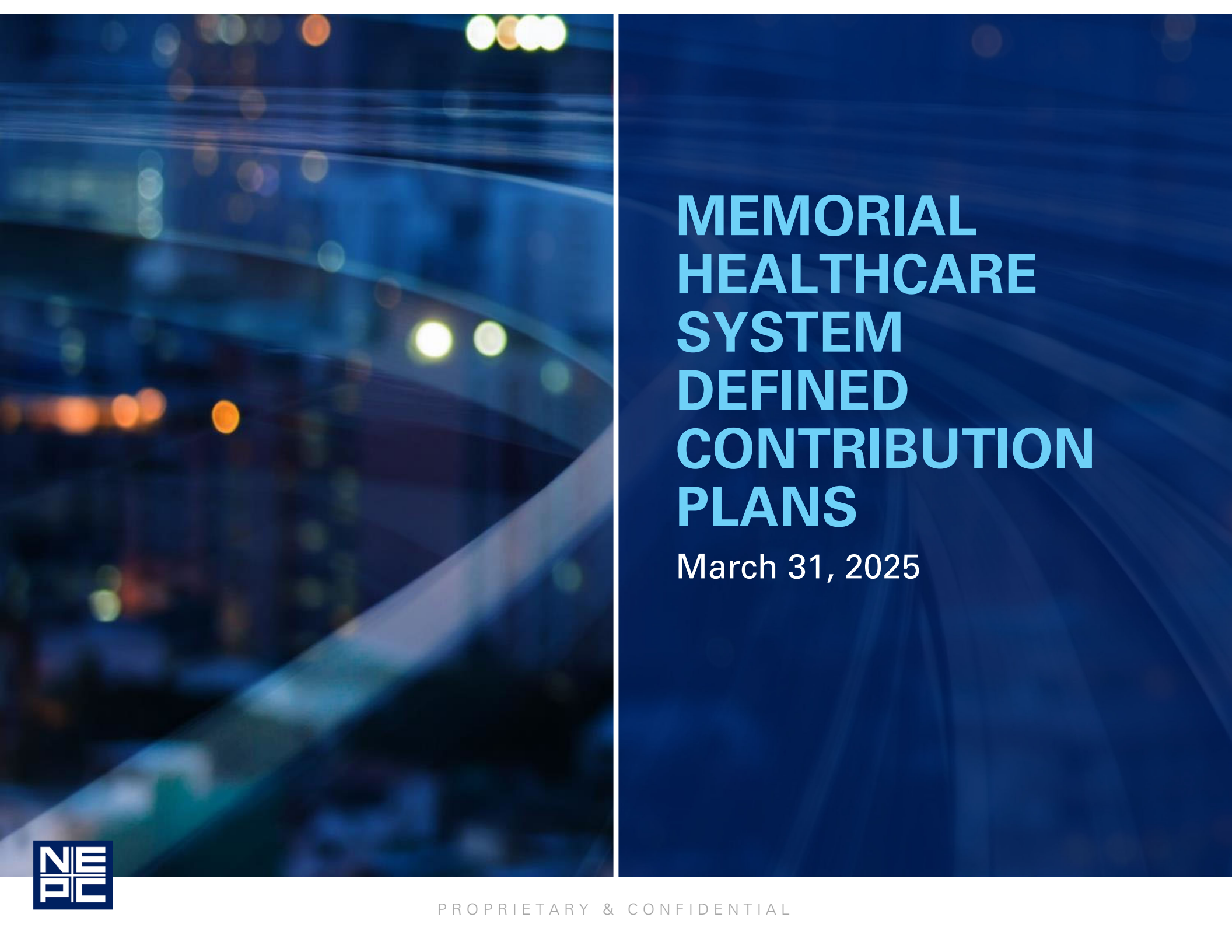
TOTAL FUND PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | |
|---|----------------------|----------------|-----------------|-------------|--------------|-------------|-------------|
| | Market Value (\$) | % of Portfolio | 2024 | 2023 | 2022 | 2021 | 2020 |
| Total Fund Composite | 1,043,015,892 | 100.0 | 9.4 | 16.3 | -11.9 | 13.4 | 11.0 |
| Policy Index | | | 12.7 | 15.7 | -13.9 | 12.6 | 11.7 |
| Fixed Income Composite | 295,458,414 | 28.3 | 3.7 | 7.5 | -9.5 | -0.2 | 6.3 |
| Custom Index | | | 3.1 | 7.1 | -10.0 | 0.1 | 6.7 |
| C.S. McKee Aggregate Fixed Income | 192,844,226 | 18.5 | 1.9 | 5.9 | -12.9 | -1.8 | 7.6 |
| Blmbg. U.S. Aggregate Index | | | 1.3 | 5.5 | -13.0 | -1.5 | 7.5 |
| Chartwell High Yield | 46,599,392 | 4.5 | 6.2 | 8.1 | -3.0 | 2.3 | 4.2 |
| ICE BofA U.S. High Yield Cash Pay BB 1-3 Year | | | 6.7 | 8.9 | -3.1 | 3.2 | 5.4 |
| Aristotle Floating Rate Income | 56,011,405 | 5.4 | 7.8 | 13.4 | -0.8 | 4.6 | 1.6 |
| S&P UBS Leveraged Loan Index | | | 9.1 | 13.0 | -1.1 | 5.4 | 2.8 |
| Wellington LCP Legacy Portfolio | 3,391 | 0.0 | | | | | |
| U.S. Equity Composite | 234,827,626 | 22.5 | 19.8 | 21.0 | -13.8 | 21.8 | 13.6 |
| CRSP U.S. Total Market TR Index | | | 23.8 | 26.0 | -19.5 | 25.7 | 21.0 |
| Vanguard Total Stock Market Fund | 117,587,820 | 11.3 | 23.8 | 26.0 | -19.5 | 25.7 | 21.0 |
| CRSP U.S. Total Market TR Index | | | 23.8 | 26.0 | -19.5 | 25.7 | 21.0 |
| Parametric Defensive Equity | 117,239,806 | 11.2 | 16.0 | 16.9 | -7.7 | 17.2 | 5.0 |
| 50% S&P 500/50% 90 Day T-Bill | | | 14.9 | 15.5 | -8.2 | 13.7 | 10.1 |
| Global Equity Composite | 511,650,132 | 49.1 | 8.4 | 20.2 | -12.8 | 19.0 | 12.4 |
| MSCI AC World Index (Net) | | | 17.5 | 22.2 | -18.4 | 18.5 | 16.3 |
| Dodge & Cox | 214,036,679 | 20.5 | 5.1 | 20.3 | -5.8 | 20.8 | 6.0 |
| MSCI AC World Index Value (Net) | | | 10.8 | 11.8 | -7.5 | 19.6 | -0.3 |
| Walter Scott & Partners | 238,633,206 | 22.9 | 10.1 | 23.1 | -19.6 | 18.7 | 18.9 |
| MSCI World Growth (Net) | | | 25.9 | 37.0 | -29.2 | 21.2 | 33.8 |
| Vanguard Global Minimum Volatility | 58,980,246 | 5.7 | 13.5 | 8.0 | -4.5 | 12.0 | -3.9 |
| MSCI AC World Minimum Volatility Index (Net) | | | 11.4 | 7.7 | -10.3 | 13.9 | 2.7 |
| Cash Composite | 1,079,720 | 0.1 | 5.1 | 4.2 | 0.7 | 0.0 | 0.4 |
| 90 Day U.S. Treasury Bill | | | 5.3 | 5.0 | 1.5 | 0.0 | 0.7 |

- All data is preliminary. Chartwell February value is rolled, March statement not available yet.
- Memorial Health Systems' Fiscal Year ends in April.
- All data prior to 5/2023 was received from Marquette Associates.
- Policy Index consist of 40% MSCI ACWI, 5% MSCI ACWI Minimum Volatility, 25% Bloomberg U.S. Aggregate, 10% CRSP US Total Market Index, 10% CBOE Put Write Index, 5% BofAML 1-3 Year High Yield BB, and 5% Credit Suisse Leveraged Loan Index.
- Custom Index consist of 71.4% Bloomberg U.S. Aggregate, 14.3% BofA Merrill Lynch 1-3 Yrs High Yield BB, and 14.3% Credit Suisse Leveraged Loan Index.

CASH FLOW SUMMARY BY MANAGER

| | 1 Month Ending March 31, 2025 | | | | | |
|------------------------------------|-------------------------------|---------------------|----------------------|----------------------|----------------------|------------------------|
| | Beginning Market Value | Contributions | Withdrawals | Net Cash Flows | Gain/ Loss | Ending Market Value |
| C.S. McKee Aggregate Fixed Income | \$194,422,859 | - | -\$1,500,000 | -\$1,500,000 | -\$78,633 | \$192,844,226 |
| Chartwell High Yield | \$49,504,392 | - | -\$2,905,000 | -\$2,905,000 | - | \$46,599,392 |
| Aristotle Floating Rate Income | \$56,190,429 | - | - | - | -\$179,024 | \$56,011,405 |
| Wellington LCP Legacy Portfolio | \$3,377 | - | - | - | \$14 | \$3,391 |
| Vanguard Total Stock Market Fund | \$125,340,299 | - | -\$421,595 | -\$421,595 | -\$7,330,884 | \$117,587,820 |
| Parametric Defensive Equity | \$122,565,810 | - | -\$1,750,000 | -\$1,750,000 | -\$3,576,005 | \$117,239,806 |
| Dodge & Cox | \$216,537,451 | - | - | - | -\$2,500,772 | \$214,036,679 |
| Walter Scott & Partners | \$255,697,209 | - | -\$2,750,000 | -\$2,750,000 | -\$14,314,003 | \$238,633,206 |
| Vanguard Global Minimum Volatility | \$58,528,637 | - | - | - | \$451,610 | \$58,980,246 |
| Money Market | \$433,382 | \$9,326,595 | -\$8,908,856 | \$417,739 | \$2,671 | \$853,792 |
| Vanguard Treasury Money Market | \$6,096,036 | \$3,694,364 | -\$9,570,405 | -\$5,876,041 | \$5,933 | \$225,928 |
| Total | \$1,085,319,881 | \$13,020,959 | -\$27,805,856 | -\$14,784,897 | -\$27,519,093 | \$1,043,015,892 |



MEMORIAL HEALTHCARE SYSTEM DEFINED CONTRIBUTION PLANS

March 31, 2025



PROPRIETARY & CONFIDENTIAL

ASSET ALLOCATION VS. POLICY

Current Allocation



Current

| | Current (\$) | Current (%) |
|---|----------------------|--------------|
| JPMorgan Target Date Funds | 1,071,699,134 | 62.5 |
| Transamerica Stable Value | 973,159 | 0.1 |
| Transamerica Guaranteed Investment Option | 152,102,176 | 8.9 |
| Dodge & Cox Income X (DOXIX) | 33,322,487 | 1.9 |
| Fidelity US Bond Index (FXNAX) | 8,005,164 | 0.5 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 20,855,120 | 1.2 |
| American Beacon Large Cap Value Fund (AALRX) | 29,137,639 | 1.7 |
| Fidelity Spartan 500 Index (FXAIX) | 130,855,335 | 7.6 |
| Fidelity Large Cap Growth Index (FSPGX) | 96,363,373 | 5.6 |
| Fidelity Extended Market Index (FSMAX) | 42,854,606 | 2.5 |
| Dimensional US Targeted Value Strategy (DFFVX) | 17,667,538 | 1.0 |
| T. Rowe Price New Horizons (PRJIX) | 31,920,277 | 1.9 |
| Vanguard International-Growth (VWILX) | 36,631,932 | 2.1 |
| Fidelity Global ex US Index (FSGGX) | 19,055,044 | 1.1 |
| Charles Schwab Personal Choice | 23,473,792 | 1.4 |
| Total Fund Composite | 1,714,916,776 | 100.0 |

MULTI PERIOD ASSET ALLOCATION

| | <i>Total Fund</i> | |
|---|----------------------|--------------|
| | \$ | % |
| Total Fund Composite | 1,411,587,491 | 100.0 |
| JP Morgan Target Date Funds | 868,332,116 | 61.5 |
| JPMorgan SmartRetirement Blend Income (JIYBX) | 36,174,545 | 2.6 |
| JPMorgan SmartRetirement Blend 2020 (JSYRX) | 60,857,021 | 4.3 |
| JPMorgan SmartRetirement Blend 2025 (JBYSX) | 130,188,305 | 9.2 |
| JPMorgan SmartRetirement Blend 2030 (JRBYX) | 148,647,100 | 10.5 |
| JPMorgan SmartRetirement Blend 2035 (JPYRX) | 133,865,837 | 9.5 |
| JPMorgan SmartRetirement Blend 2040 (JOBYX) | 105,627,720 | 7.5 |
| JPMorgan SmartRetirement Blend 2045 (JMYAX) | 92,605,649 | 6.6 |
| JPMorgan SmartRetirement Blend 2050 (JNYAX) | 83,339,148 | 5.9 |
| JPMorgan SmartRetirement Blend 2055 (JTYBX) | 45,772,495 | 3.2 |
| JPMorgan SmartRetirement Blend 2060 (JAAYX) | 26,338,538 | 1.9 |
| JPMorgan SmartRetirement Blend 2065 (JSBYX) | 4,915,760 | 0.3 |
| Core Funds | 524,148,605 | 37.1 |
| Transamerica Stable Value | 716,170 | 0.1 |
| Transamerica Guaranteed Investment Option | 139,092,504 | 9.9 |
| Dodge & Cox Income X (DOXIX) | 27,381,859 | 1.9 |
| Fidelity US Bond Index (FXNAX) | 7,158,220 | 0.5 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 16,529,979 | 1.2 |
| American Beacon Large Cap Value Fund (AALRX) | 25,509,298 | 1.8 |
| Fidelity Spartan 500 Index (FXAIX) | 106,169,938 | 7.5 |
| Fidelity Large Cap Growth Index (FSPGX) | 77,235,901 | 5.5 |
| Fidelity Extended Market Index (FSMAX) | 35,930,289 | 2.5 |
| Dimensional US Targeted Value Strategy (DFFVX) | 14,795,581 | 1.0 |
| T. Rowe Price New Horizons (PRJIX) | 26,477,395 | 1.9 |
| Vanguard International-Growth (VWILX) | 30,538,173 | 2.2 |
| Fidelity Global ex US Index (FSGGX) | 16,613,297 | 1.2 |
| Brokerage | 19,106,770 | 1.4 |
| Charles Schwab Personal Choice | 19,106,770 | 1.4 |

MULTI PERIOD ASSET ALLOCATION

| | <i>Total Fund</i> | |
|---|--------------------|--------------|
| | \$ | % |
| Total Fund Composite | 129,638,962 | 100.0 |
| JPMorgan Target Date Funds | 109,157,279 | 84.2 |
| JPMorgan SmartRetirement Blend Income (JIYBX) | 1,081,949 | 0.8 |
| JPMorgan SmartRetirement Blend 2020 (JSYRX) | 2,712,876 | 2.1 |
| JPMorgan SmartRetirement Blend 2025 (JBYSX) | 7,323,701 | 5.6 |
| JPMorgan SmartRetirement Blend 2030 (JRBYX) | 10,109,265 | 7.8 |
| JPMorgan SmartRetirement Blend 2035 (JPYRX) | 13,717,860 | 10.6 |
| JPMorgan SmartRetirement Blend 2040 (JOBYX) | 14,124,857 | 10.9 |
| JPMorgan SmartRetirement Blend 2045 (JMYAX) | 17,279,408 | 13.3 |
| JPMorgan SmartRetirement Blend 2050 (JNYAX) | 18,629,017 | 14.4 |
| JPMorgan SmartRetirement Blend 2055 (JTYBX) | 14,248,033 | 11.0 |
| JPMorgan SmartRetirement Blend 2060 (JAAYX) | 8,107,399 | 6.3 |
| JPMorgan SmartRetirement Blend 2065 (JSBYX) | 1,822,915 | 1.4 |
| Core Funds | 20,347,274 | 15.7 |
| Transamerica Stable Value | 166,109 | 0.1 |
| Transamerica Guaranteed Investment Option | 1,609,361 | 1.2 |
| Dodge & Cox Income X (DOXIX) | 583,364 | 0.4 |
| Fidelity US Bond Index (FXNAX) | 678,607 | 0.5 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 780,958 | 0.6 |
| American Beacon Large Cap Value Fund (AALRX) | 1,358,902 | 1.0 |
| Fidelity Spartan 500 Index (FXAIX) | 5,190,679 | 4.0 |
| Fidelity Large Cap Growth Index (FSPGX) | 4,015,829 | 3.1 |
| Fidelity Extended Market Index (FSMAX) | 1,279,184 | 1.0 |
| Dimensional US Targeted Value Strategy (DFFVX) | 876,925 | 0.7 |
| T. Rowe Price New Horizons (PRJIX) | 846,312 | 0.7 |
| Vanguard International-Growth (VWILX) | 1,055,721 | 0.8 |
| Fidelity Global ex US Index (FSGGX) | 1,905,324 | 1.5 |
| Brokerage | 134,409 | 0.1 |
| Charles Schwab Personal Choice | 134,409 | 0.1 |

MULTI PERIOD ASSET ALLOCATION

| | <i>Total Fund</i> | |
|---|--------------------|--------------|
| | \$ | % |
| Total Fund Composite | 151,929,413 | 100.0 |
| JPMorgan Target Date Funds | 75,480,546 | 49.7 |
| JPMorgan SmartRetirement Blend Income (JIYBX) | 3,244,760 | 2.1 |
| JPMorgan SmartRetirement Blend 2020 (JSYRX) | 5,588,101 | 3.7 |
| JPMorgan SmartRetirement Blend 2025 (JBYSX) | 12,169,342 | 8.0 |
| JPMorgan SmartRetirement Blend 2030 (JRBYX) | 13,279,826 | 8.7 |
| JPMorgan SmartRetirement Blend 2035 (JPYRX) | 11,421,495 | 7.5 |
| JPMorgan SmartRetirement Blend 2040 (JOBYX) | 9,590,051 | 6.3 |
| JPMorgan SmartRetirement Blend 2045 (JMYAX) | 9,338,637 | 6.1 |
| JPMorgan SmartRetirement Blend 2050 (JNYAX) | 7,380,663 | 4.9 |
| JPMorgan SmartRetirement Blend 2055 (JTYBX) | 2,331,800 | 1.5 |
| JPMorgan SmartRetirement Blend 2060 (JAAYX) | 1,007,088 | 0.7 |
| JPMorgan SmartRetirement Blend 2065 (JSBYX) | 128,784 | 0.1 |
| Core Funds | 72,216,255 | 47.5 |
| Transamerica Stable Value | 2,292 | 0.0 |
| Transamerica Guaranteed Investment Option | 11,267,819 | 7.4 |
| Dodge & Cox Income X (DOXIX) - 457(b) Retirement Plan | 4,465,365 | 2.9 |
| Fidelity US Bond Index (FXNAX) - 457(b) Plan | 168,337 | 0.1 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 2,639,260 | 1.7 |
| American Beacon Large Cap Value Fund (AALRX) | 2,264,458 | 1.5 |
| Fidelity Spartan 500 Index (FXAIX) | 19,272,913 | 12.7 |
| Fidelity Large Cap Growth Index (FSPGX) | 14,732,160 | 9.7 |
| Fidelity Extended Market Index (FSMAX) | 5,536,744 | 3.6 |
| Dimensional US Targeted Value Strategy (DFFVX) | 1,995,032 | 1.3 |
| T. Rowe Price New Horizons (PRJIX) | 4,362,105 | 2.9 |
| Vanguard International-Growth (VWILX) | 4,973,348 | 3.3 |
| Fidelity Global ex US Index (FSGGX) | 536,423 | 0.4 |
| Brokerage | 4,232,613 | 2.8 |
| Charles Schwab Personal Choice | 4,232,613 | 2.8 |

MULTI PERIOD ASSET ALLOCATION

| | Total Fund | |
|---|-------------------|--------------|
| | \$ | % |
| Total Fund Composite | 21,760,909 | 100.0 |
| JPMorgan Target Date Funds | 18,729,193 | 86.1 |
| JPMorgan SmartRetirement Blend Income (JIYBX) | 1,219,776 | 5.6 |
| JPMorgan SmartRetirement Blend 2020 (JSYRX) | 8,800 | 0.0 |
| JPMorgan SmartRetirement Blend 2025 (JBYSX) | 4,320,009 | 19.9 |
| JPMorgan SmartRetirement Blend 2030 (JRBYX) | 7,403,126 | 34.0 |
| JPMorgan SmartRetirement Blend 2035 (JPYRX) | 3,575,449 | 16.4 |
| JPMorgan SmartRetirement Blend 2040 (JOBYX) | 1,950,455 | 9.0 |
| JPMorgan SmartRetirement Blend 2045 (JMYAX) | 211,659 | 1.0 |
| JPMorgan SmartRetirement Blend 2050 (JNYAX) | 39,920 | 0.2 |
| JPMorgan SmartRetirement Blend 2055 (JTYBX) | | 0.0 |
| JPMorgan SmartRetirement Blend 2060 (JAAYX) | | 0.0 |
| JPMorgan SmartRetirement Blend 2065 (JSBYX) | | 0.0 |
| Core Funds | 3,031,716 | 13.9 |
| Transamerica Stable Value | 88,587 | 0.4 |
| Transamerica Guaranteed Investment Option | 132,493 | 0.6 |
| Dodge & Cox Income X (DOXIX) | 891,899 | 4.1 |
| Fidelity US Bond Index (FXNAX) | | 0.0 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 904,923 | 4.2 |
| American Beacon Large Cap Value Fund (AALRX) | 4,981 | 0.0 |
| Fidelity Spartan 500 Index (FXAIX) | 221,806 | 1.0 |
| Fidelity Large Cap Growth Index (FSPGX) | 379,484 | 1.7 |
| Fidelity Extended Market Index (FSMAX) | 108,389 | 0.5 |
| Dimensional US Targeted Value Strategy (DFFVX) | | 0.0 |
| T. Rowe Price New Horizons (PRJIX) | 234,465 | 1.1 |
| Vanguard International-Growth (VWILX) | 64,690 | 0.3 |
| Fidelity Global ex US Index (FSGGX) | | 0.0 |
| Brokerage | | 0.0 |
| Charles Schwab Personal Choice | | 0.0 |

PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | |
|---|----------------------|----------------|-----------------|----------|----------|-----------|-----------|-----------|------------|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) |
| Total Fund Composite | 1,714,916,776 | 100.0 | | | | | | | |
| JPMorgan Target Date Funds | 1,071,699,134 | 62.5 | | | | | | | |
| JPMorgan SmartRetirement Blend Income (JIYBX) | 41,721,030 | 2.4 | -1.5 | 1.2 | 6.4 | 3.8 | 6.4 | 4.5 | 4.5 |
| S&P Target Date Retirement Income Index | | | -0.9 | 1.6 | 5.8 | 3.6 | 5.4 | 4.4 | 4.1 |
| JPMorgan SmartRetirement Blend 2020 (JSYRX) | 69,166,798 | 4.0 | -1.5 | 1.2 | 6.4 | 3.9 | 6.7 | 4.7 | 4.9 |
| S&P Target Date 2020 Index | | | -1.4 | 1.1 | 5.8 | 3.9 | 7.5 | 5.4 | 5.4 |
| JPMorgan SmartRetirement Blend 2025 (JBYSX) | 154,001,356 | 9.0 | -1.7 | 1.1 | 6.4 | 4.0 | 8.1 | 5.4 | 5.6 |
| S&P Target Date 2025 Index | | | -1.5 | 0.9 | 5.8 | 4.1 | 8.7 | 6.0 | 6.0 |
| JPMorgan SmartRetirement Blend 2030 (JRBYX) | 179,439,317 | 10.5 | -2.1 | 0.7 | 6.5 | 4.6 | 9.7 | 6.2 | 6.4 |
| S&P Target Date 2030 Index | | | -1.9 | 0.5 | 5.9 | 4.7 | 10.2 | 6.7 | 6.6 |
| JPMorgan SmartRetirement Blend 2035 (JPYRX) | 162,580,640 | 9.5 | -2.5 | 0.2 | 6.5 | 5.2 | 11.4 | 7.0 | 7.1 |
| S&P Target Date 2035 Index | | | -2.3 | 0.1 | 6.0 | 5.2 | 11.7 | 7.4 | 7.3 |
| JPMorgan SmartRetirement Blend 2040 (JOBYX) | 131,293,083 | 7.7 | -2.9 | -0.1 | 6.6 | 5.7 | 12.7 | 7.6 | 7.7 |
| S&P Target Date 2040 Index | | | -2.7 | -0.3 | 6.1 | 5.7 | 12.9 | 8.0 | 7.9 |
| JPMorgan SmartRetirement Blend 2045 (JMYAX) | 119,435,352 | 7.0 | -3.2 | -0.4 | 6.6 | 6.1 | 13.7 | 8.1 | 8.0 |
| S&P Target Date 2045 Index | | | -2.9 | -0.4 | 6.1 | 6.1 | 13.7 | 8.3 | 8.2 |
| JPMorgan SmartRetirement Blend 2050 (JNYAX) | 109,388,749 | 6.4 | -3.3 | -0.5 | 6.6 | 6.2 | 13.8 | 8.2 | 8.1 |
| S&P Target Date 2050 Index | | | -3.1 | -0.8 | 6.2 | 6.3 | 14.0 | 8.5 | 8.4 |
| JPMorgan SmartRetirement Blend 2055 (JTYBX) | 62,352,327 | 3.6 | -3.3 | -0.5 | 6.6 | 6.3 | 13.8 | 8.2 | 8.1 |
| S&P Target Date 2055 Index | | | -3.1 | -0.8 | 6.2 | 6.3 | 14.2 | 8.5 | 8.4 |
| JPMorgan SmartRetirement Blend 2060 (JAAYX) | 35,453,025 | 2.1 | -3.3 | -0.5 | 6.6 | 6.3 | | | |
| S&P Target Date 2060 Index | | | -3.2 | -0.9 | 6.2 | 6.3 | | | |
| JPMorgan SmartRetirement Blend 2065 (JSBYX) | 6,867,458 | 0.4 | -3.3 | -0.5 | 6.3 | | | | |
| S&P Target Date 2065+ Index | | | -3.3 | -1.0 | 6.3 | | | | |

PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | |
|---|--------------------|----------------|-----------------|----------|----------|-----------|-----------|-----------|------------|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) |
| Core Funds | 600,688,806 | 35.0 | | | | | | | |
| Transamerica Stable Value | 973,159 | 0.1 | 0.2 | 0.6 | 2.6 | 2.4 | 1.8 | 1.7 | 1.5 |
| 90 Day U.S. Treasury Bill | | | 0.3 | 1.0 | 5.0 | 4.2 | 2.6 | 2.5 | 1.9 |
| Transamerica Guaranteed Investment Option | 152,102,176 | 8.9 | 0.2 | 0.6 | 2.6 | 2.5 | 2.3 | 2.1 | 1.8 |
| 90 Day U.S. Treasury Bill | | | 0.3 | 1.0 | 5.0 | 4.2 | 2.6 | 2.5 | 1.9 |
| Dodge & Cox Income X (DOXIX) | 33,322,487 | 1.9 | -0.1 | 2.9 | 5.6 | 2.2 | 2.0 | 2.8 | 2.7 |
| Blmbg. U.S. Aggregate Index | | | 0.0 | 2.8 | 4.9 | 0.5 | -0.4 | 1.6 | 1.5 |
| Fidelity US Bond Index (FXNAX) | 8,005,164 | 0.5 | 0.0 | 2.8 | 4.9 | 0.5 | -0.5 | 1.6 | 1.4 |
| Blmbg. U.S. Aggregate Index | | | 0.0 | 2.8 | 4.9 | 0.5 | -0.4 | 1.6 | 1.5 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 20,855,120 | 1.2 | 0.7 | 4.2 | 6.3 | 0.0 | 2.3 | 3.0 | 2.4 |
| Blmbg. U.S. TIPS | | | 0.6 | 4.2 | 6.2 | 0.1 | 2.4 | 3.0 | 2.5 |
| American Beacon Large Cap Value Fund (AALRX) | 29,137,639 | 1.7 | -3.1 | 1.4 | 6.3 | 8.1 | 18.9 | 10.0 | 9.2 |
| Russell 1000 Value Index | | | -2.8 | 2.1 | 7.2 | 6.6 | 16.1 | 9.2 | 8.8 |
| Fidelity Spartan 500 Index (FXAIX) | 130,855,335 | 7.6 | -5.6 | -4.3 | 8.2 | 9.1 | 18.6 | 13.2 | 12.5 |
| S&P 500 Index | | | -5.6 | -4.3 | 8.3 | 9.1 | 18.6 | 13.2 | 12.5 |
| Fidelity Large Cap Growth Index (FSPGX) | 96,363,373 | 5.6 | -8.4 | -10.0 | 7.7 | 10.1 | 20.0 | 16.0 | |
| Russell 1000 Growth Index | | | -8.4 | -10.0 | 7.8 | 10.1 | 20.1 | 16.1 | |
| Fidelity Extended Market Index (FSMAX) | 42,854,606 | 2.5 | -7.9 | -8.9 | -0.4 | 2.7 | 15.2 | 7.8 | 7.9 |
| Dow Jones U.S. Completion Total Stock Market Indx | | | -7.9 | -8.9 | -0.5 | 2.5 | 15.0 | 7.7 | 7.7 |
| Dimensional US Targeted Value Strategy (DFFVX) | 17,667,538 | 1.0 | -5.6 | -7.1 | -2.9 | 5.0 | 22.3 | 8.3 | 8.0 |
| Russell 2000 Value Index | | | -6.0 | -7.7 | -3.1 | 0.0 | 15.3 | 5.3 | 6.1 |
| T. Rowe Price New Horizons (PRJIX) | 31,920,277 | 1.9 | -8.9 | -11.1 | -12.9 | -4.3 | 7.0 | 7.5 | 9.4 |
| Russell 2000 Growth Index | | | -7.6 | -11.1 | -4.9 | 0.8 | 10.8 | 5.0 | 6.1 |
| Vanguard International-Growth (VWILX) | 36,631,932 | 2.1 | -5.5 | 1.4 | 5.5 | 1.8 | 10.6 | 6.5 | 8.3 |
| MSCI AC World ex USA (Net) | | | -0.2 | 5.2 | 6.1 | 4.5 | 10.9 | 4.5 | 5.0 |
| Fidelity Global ex US Index (FSGGX) | 19,055,044 | 1.1 | 0.1 | 6.2 | 6.8 | 5.1 | 11.2 | 4.5 | 5.1 |
| MSCI AC World ex USA (Net) | | | -0.2 | 5.2 | 6.1 | 4.5 | 10.9 | 4.5 | 5.0 |
| Brokerage | 23,473,792 | 1.4 | | | | | | | |
| Charles Schwab Personal Choice | 23,473,792 | 1.4 | | | | | | | |

- All data prior to 5/2023 was received from Marquette Associate

- Transamerica Stable Value Fund is not an open option for plan participants

- Assets include: Memorial Healthcare System RSP Gold 403(b) Plan, Memorial Healthcare System 401(a) Plan, Memorial Healthcare System 457(b) Plan, Memorial Healthcare System SERP 457(Plan

- Performance is net of fees and is annualized for periods longer than one year. Performance is ranked within PARis's style-specific universes, where "1" refers to the top percentile and "100" th bottom percentile.

TOTAL FUND PERFORMANCE DETAIL

| | Allocation | | Performance (%) | | | | | | | | |
|--|----------------------|----------------|-----------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|------------|
| | Market Value (\$) | % of Portfolio | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Total Fund Composite | 1,714,916,776 | | | | | | | | | | |
| JPMorgan SmartRetirement Blend Income (JIYBX) | 41,721,030 | | 8.4 | 11.8 | -13.7 | 6.3 | 9.6 | 14.1 | -3.8 | 10.7 | 5.8 |
| S&P Target Date Retirement Income Index | | | 6.5 | 10.3 | -11.2 | 5.1 | 8.8 | 13.3 | -2.5 | 8.5 | 5.0 |
| JPMorgan SmartRetirement Blend 2020 (JSYRX) | 69,166,798 | | 8.4 | 12.0 | -13.7 | 6.4 | 10.1 | 15.5 | -4.5 | 13.4 | 6.8 |
| S&P Target Date 2020 Index | | | 8.1 | 12.3 | -12.8 | 8.8 | 10.2 | 16.5 | -4.2 | 12.8 | 7.2 |
| JPMorgan SmartRetirement Blend 2025 (JBYSX) | 154,001,356 | | 9.0 | 13.4 | -15.2 | 9.1 | 11.3 | 18.3 | -5.7 | 15.6 | 7.2 |
| S&P Target Date 2025 Index | | | 8.4 | 13.0 | -13.1 | 10.7 | 11.2 | 18.4 | -5.0 | 14.6 | 7.8 |
| JPMorgan SmartRetirement Blend 2030 (JRBYX) | 179,439,317 | | 10.5 | 15.3 | -16.1 | 11.3 | 12.2 | 20.4 | -6.6 | 17.4 | 7.9 |
| S&P Target Date 2030 Index | | | 9.9 | 14.8 | -14.0 | 12.6 | 11.9 | 20.4 | -6.0 | 16.2 | 8.3 |
| JPMorgan SmartRetirement Blend 2035 (JPYRX) | 162,580,640 | | 12.1 | 17.1 | -16.7 | 14.1 | 12.6 | 22.3 | -7.4 | 18.9 | 8.3 |
| S&P Target Date 2035 Index | | | 11.4 | 16.6 | -15.0 | 14.9 | 12.8 | 22.2 | -6.9 | 17.8 | 8.9 |
| JPMorgan SmartRetirement Blend 2040 (JOBYX) | 131,293,083 | | 13.3 | 18.4 | -17.2 | 15.9 | 13.0 | 23.8 | -8.0 | 20.3 | 8.8 |
| S&P Target Date 2040 Index | | | 12.9 | 18.2 | -15.6 | 16.5 | 13.4 | 23.4 | -7.4 | 18.9 | 9.2 |
| JPMorgan SmartRetirement Blend 2045 (JMYAX) | 119,435,352 | | 14.2 | 19.5 | -17.6 | 17.7 | 13.1 | 24.6 | -8.3 | 20.5 | 8.8 |
| S&P Target Date 2045 Index | | | 13.6 | 19.1 | -15.8 | 17.5 | 13.7 | 24.0 | -7.7 | 19.6 | 9.5 |
| JPMorgan SmartRetirement Blend 2050 (JNYAX) | 109,388,749 | | 14.7 | 19.8 | -17.6 | 17.8 | 13.4 | 24.6 | -8.3 | 20.5 | 8.8 |
| S&P Target Date 2050 Index | | | 14.3 | 19.6 | -16.0 | 18.0 | 13.9 | 24.4 | -7.9 | 20.2 | 9.7 |
| JPMorgan SmartRetirement Blend 2055 (JTYBX) | 62,352,327 | | 14.7 | 19.7 | -17.6 | 17.8 | 13.2 | 24.7 | -8.4 | 20.4 | 8.8 |
| S&P Target Date 2055 Index | | | 14.3 | 19.6 | -16.0 | 18.2 | 13.9 | 24.5 | -8.0 | 20.5 | 9.9 |
| JPMorgan SmartRetirement Blend 2060 (JAAYX) | 35,453,025 | | 14.7 | 19.7 | -17.4 | 17.8 | | | | | |
| S&P Target Date 2060 Index | | | 14.4 | 19.7 | -16.0 | 18.0 | | | | | |
| JPMorgan SmartRetirement Blend 2065 (JSBYX) | 6,867,458 | | 14.6 | 19.1 | | | | | | | |
| S&P Target Date 2065+ Index | | | 14.8 | 19.8 | | | | | | | |
| Transamerica Stable Value | 973,159 | | 2.6 | 2.5 | 1.6 | 1.0 | 1.2 | 1.8 | 1.3 | 1.0 | 1.0 |
| 90 Day U.S. Treasury Bill | | | 5.3 | 5.0 | 1.5 | 0.0 | 0.7 | 2.3 | 1.9 | 0.9 | 0.3 |
| Transamerica Guaranteed Investment Option | 152,102,176 | | 2.6 | 2.5 | 2.2 | 2.3 | 1.6 | 1.8 | 1.3 | 1.0 | 1.0 |
| 90 Day U.S. Treasury Bill | | | 5.3 | 5.0 | 1.5 | 0.0 | 0.7 | 2.3 | 1.9 | 0.9 | 0.3 |

TOTAL FUND PERFORMANCE DETAIL


| | Allocation | | Performance (%) | | | | | | | | |
|--|--------------------|----------------|-----------------|-------------|--------------|-------------|-------------|-------------|--------------|-------------|-------------|
| | Market Value (\$) | % of Portfolio | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Dodge & Cox Income X (DOXIX) | 33,322,487 | | 2.3 | 7.8 | -10.8 | -0.9 | 9.5 | 9.7 | -0.3 | 4.4 | 5.6 |
| <i>Blmbg. U.S. Aggregate Index</i> | | | 1.3 | 5.5 | -13.0 | -1.5 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| Fidelity US Bond Index (FXNAX) | 8,005,164 | | 1.3 | 5.5 | -13.0 | -1.8 | 7.8 | 8.5 | 0.0 | 3.5 | 2.5 |
| <i>Blmbg. U.S. Aggregate Index</i> | | | 1.3 | 5.5 | -13.0 | -1.5 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| Fidelity Inflation Protected Bond Index (FIPDX) | 20,855,120 | | 2.0 | 3.8 | -12.0 | 5.9 | 10.9 | 8.3 | -1.4 | 3.0 | 4.9 |
| <i>Blmbg. U.S. TIPS</i> | | | 1.8 | 3.9 | -11.8 | 6.0 | 11.0 | 8.4 | -1.3 | 3.0 | 4.7 |
| American Beacon Large Cap Value Fund (AALRX) | 29,137,639 | | 15.2 | 13.5 | -5.2 | 28.0 | 3.4 | 29.7 | -12.0 | 17.1 | 16.0 |
| <i>Russell 1000 Value Index</i> | | | 14.4 | 11.5 | -7.5 | 25.2 | 2.8 | 26.5 | -8.3 | 13.7 | 17.3 |
| Fidelity Spartan 500 Index (FXAIX) | 130,855,335 | | 25.0 | 26.3 | -18.1 | 28.7 | 18.4 | 31.5 | -4.4 | 21.8 | 12.0 |
| <i>S&P 500 Index</i> | | | 25.0 | 26.3 | -18.1 | 28.7 | 18.4 | 31.5 | -4.4 | 21.8 | 12.0 |
| Fidelity Large Cap Growth Index (FSPGX) | 96,363,373 | | 33.3 | 42.8 | -29.2 | 27.6 | 38.4 | 36.4 | -1.6 | 30.1 | |
| <i>Russell 1000 Growth Index</i> | | | 33.4 | 42.7 | -29.1 | 27.6 | 38.5 | 36.4 | -1.5 | 30.2 | |
| Fidelity Extended Market Index (FSMAX) | 42,854,606 | | 17.0 | 25.4 | -26.4 | 12.4 | 32.2 | 28.0 | -9.4 | 18.2 | 16.1 |
| <i>Dow Jones U.S. Completion Total Stock Market Indx</i> | | | 16.9 | 25.0 | -26.5 | 12.4 | 32.2 | 27.9 | -9.6 | 18.1 | 15.7 |
| Dimensional US Targeted Value Strategy (DFFVX) | 17,667,538 | | 9.3 | 19.3 | -4.6 | 38.8 | 3.8 | 21.5 | -15.8 | 9.6 | 26.9 |
| <i>Russell 2000 Value Index</i> | | | 8.1 | 14.6 | -14.5 | 28.3 | 4.6 | 22.4 | -12.9 | 7.8 | 31.7 |
| T. Rowe Price New Horizons (PRJIX) | 31,920,277 | | 4.0 | 21.5 | -36.9 | 9.8 | 57.9 | 37.8 | 4.2 | 31.7 | 7.9 |
| <i>Russell 2000 Growth Index</i> | | | 15.2 | 18.7 | -26.4 | 2.8 | 34.6 | 28.5 | -9.3 | 22.2 | 11.3 |
| Vanguard International-Growth (VWILX) | 36,631,932 | | 9.5 | 14.8 | -30.8 | -0.7 | 59.7 | 31.5 | -12.6 | 43.2 | 1.8 |
| <i>MSCI AC World ex USA (Net)</i> | | | 5.5 | 15.6 | -16.0 | 7.8 | 10.7 | 21.5 | -14.2 | 27.2 | 4.5 |
| Fidelity Global ex US Index (FSGGX) | 19,055,044 | | 5.3 | 15.6 | -15.7 | 7.8 | 10.7 | 21.3 | -13.9 | 27.4 | 4.6 |
| <i>MSCI AC World ex USA (Net)</i> | | | 5.5 | 15.6 | -16.0 | 7.8 | 10.7 | 21.5 | -14.2 | 27.2 | 4.5 |
| Charles Schwab Personal Choice | 23,473,792 | | | | | | | | | | |

- All data prior to 5/2023 was received from Marquette Associates

- Transamerica Stable Value Fund is not an open option for plan participants

- Assets include: Memorial Healthcare System RSP Gold 403(b) Plan, Memorial Healthcare System 401(a) Plan, Memorial Healthcare System 457(b) Plan, Memorial Healthcare System SERP 457(f) Plan

- Performance is net of fees and is annualized for periods longer than one year. Performance is ranked within PARis's style-specific universes, where "1" refers to the top percentile and "100" th bottom percentile.



OPERATING PLAN – ASSET ALLOCATION REVIEW

APRIL 2025



PROPRIETARY & CONFIDENTIAL

MHS ASSET ALLOCATION – OPERATING PLAN

- **At the March 2025 meeting, the Finance Committee requested NEPC to model additional exposure to equity risk to the Operating portfolio, including Enterprise Risk Management (ERM) analytics**
 - Incorporating additional risk into the portfolio can enhance long term performance, improve diversification, and strengthen resilience in evolving market conditions
 - A well-balanced allocation across the portfolio will allow the portfolio to capture growth opportunities across equities, credit markets, illiquidity premiums in private investments, and generate attractive risk-adjusted returns
 - By embracing a more dynamic and strategic risk framework, the Finance Committee can ensure a more robust and forward-looking investment strategy
 - The proposed discussion, detailed on the following slides, is an approach that gradually heightens risk by increasing the Global Equity allocation and introduces exposure to asset classes such as Diversified Credit, Global Multi-Sector Fixed Income, Private Equity and Private Credit

MHS OPERATING ASSET ALLOCATION

| | Current Policy | 30% Equity | Alternative Mix |
|-----------------------------------|----------------|------------|-----------------|
| Cash | 15.0% | 15% | 15.0% |
| Total Cash | 15.0% | 15% | 15.0% |
| Global Equity | 20.0% | 30% | 35.0% |
| Total Equity | 20.0% | 30% | 35.0% |
| Diversified Credit | 0.0% | 0% | 6.0% |
| Global Multi-Sector Fixed Income | 0.0% | 0% | 7.0% |
| US Short-Term Fixed Income | 10.0% | 10.0% | 10.0% |
| US Intermediate-Term Fixed Income | 55.0% | 45.0% | 27.0% |
| Total Fixed Income | 65.0% | 55% | 50.0% |
| Private Equity | 0.0% | 0% | 0.0% |
| Private Debt | 0.0% | 0% | 0.0% |
| Total Alternatives | 0.0% | 0% | 0.0% |

| | | | |
|--------------------------------|-------------|-------------|-------------|
| Expected Return 10 yrs | 5.5% | 5.6% | 5.8% |
| Expected Return 30 yrs | 5.9% | 6.1% | 6.3% |
| Standard Dev | 5.4% | 6.5% | 7.7% |
| Sharpe Ratio (10 years) | 0.25 | 0.23 | 0.22 |

- **Alternative Mix increases Global Equity exposure to 35% to enhance long-term growth potential**

- At the March 2025 Finance Committee Meeting, NEPC illustrated the opportunity cost of a lower equity allocation
- For reference, NEPC noted if the Operating Plan had 10% more in equities over the trailing ten-year period, it would have resulted in an additional gain of over **\$550M**

- **The Alternative Mix also introduces Diversified Credit and Global Multi-Sector Fixed Income**

- Diversified Credit will invest across the credit spectrum based on market opportunity
- Global Multi-Sector will incorporate broad fixed income sector exposure and will invest across global markets



Expected return and risk based on NEPC capital market assumptions as of 12/31/2024

FORWARD LOOKING ANALYSIS

| | 30% Equity | Alternative Mix | Broward Health Policy | Healthcare Operating Universe | MHS Retirement Portfolio |
|--------------------------------------|--------------|-----------------|-----------------------|-------------------------------|--------------------------|
| Cash | 15% | 15% | 0% | 5% | 0% |
| Total Cash | 15% | 15% | 0% | 5% | 0% |
| US Large-Cap Equity | 0% | 0% | 0% | 0% | 20% |
| Global Equity | 30% | 35% | 36% | 44% | 45% |
| Total Equity | 30% | 35% | 36% | 44% | 65% |
| US Opportunistic | 0% | 6% | 30% | 40% | 35% |
| Global Multi Sector Fixed Income | 0% | 7% | 0% | 0% | 0% |
| Short Term Pool | 10% | 10% | 0% | 0% | 0% |
| Intermediate Pool | 45% | 27% | 0% | 0% | 0% |
| Total Fixed Income | 55% | 50% | 30% | 40% | 35% |
| Real Estate - Core | 0% | 0% | 12% | 3% | 0% |
| Private Real Assets - Infrastructure | 0% | 0% | 5% | 0% | 0% |
| Total Real Assets | 0% | 0% | 17% | 3% | 0% |
| Hedge Fund | 0% | 0% | 10% | 4% | 0% |
| Private Equity | 0% | 0% | 8% | 4% | 0% |
| Total Multi Asset | 0% | 0% | 18% | 8% | 0% |
| Expected Return 10 yrs | 5.64% | 5.80% | 6.43% | 6.04% | 6.07% |
| Expected Return 30 yrs | 6.12% | 6.35% | 7.35% | 6.87% | 7.13% |
| Standard Dev | 6.5% | 7.7% | 11.3% | 10.0% | 12.4% |
| Sharpe Ratio (10 years) | 0.23 | 0.22 | 0.20 | 0.19 | 0.15 |

- As we evaluate the MHS Operating portfolio, forward looking risk and return expectations can provide a pathway forward
- Incrementally increasing the equity allocation drives up the expected return
 - As US markets have seen a significant drawdown over the recent weeks, the market could present an attractive buying opportunity
 - With this said, the Operating portfolio is built on the basis of achieving long-term growth
- NEPC maintains the view that MHS is in a prudent financial position to increase risk
- Broward Health, the Healthcare Operating Universe, and the MHS Retirement Portfolio are utilized in this analysis as a source of comparison



SCENARIO ANALYSIS: REGIME DEFINITIONS

- **NEPC scenario analysis highlights the impact of shifting economic and market regimes on the portfolio and potential asset allocation mixes**
 - Asset returns are informed by changes in real growth, inflation, and credit spreads experienced across market regimes
 - Scenario returns are sensitive to current market pricing

Expansion

A high growth—low inflation regime with declining interest rates and declining inflation. Equity valuations expand, earnings growth above expectations, and tightening credit spreads,

Stagflation

A low growth—high inflation regime with rising interest rates and rising inflation. Equity valuations contract, negative real earnings growth, and widening credit spreads

Depression

A negative growth—deflation regime with negative interest rates and deflation. All-time low equity valuations, negative earnings growth, and all-time high credit spreads

Recession

A low growth—low inflation regime with declining interest rates and declining inflation. Equity valuations contract, earnings growth below expectations, and widening credit spreads

Overextension

A high growth—high inflation regime with rising interest rates and rising inflation. Equity valuations contract, negative real earnings growth, and tightening credit spreads

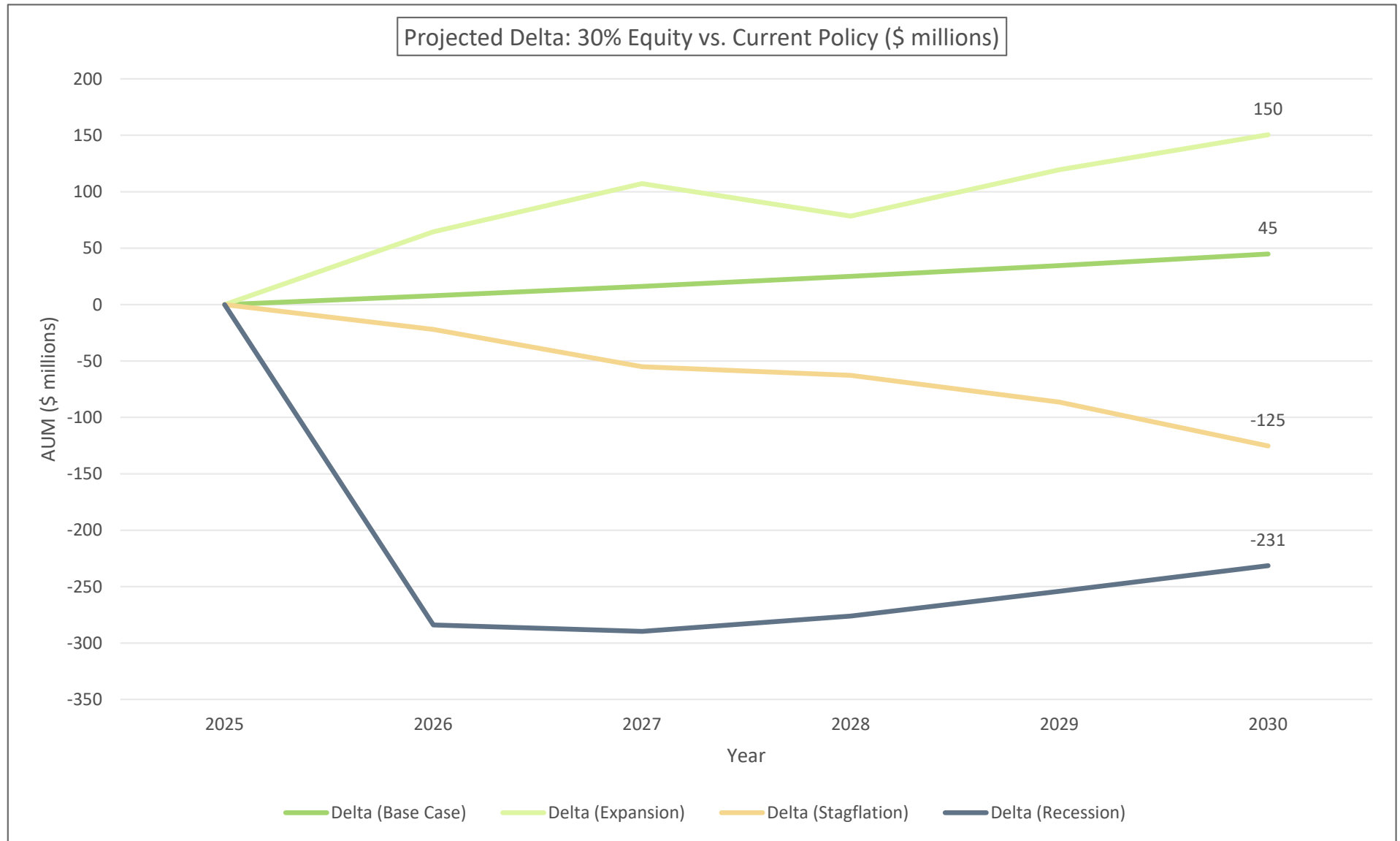


30% EQUITY MIX SCENARIO ANALYSIS

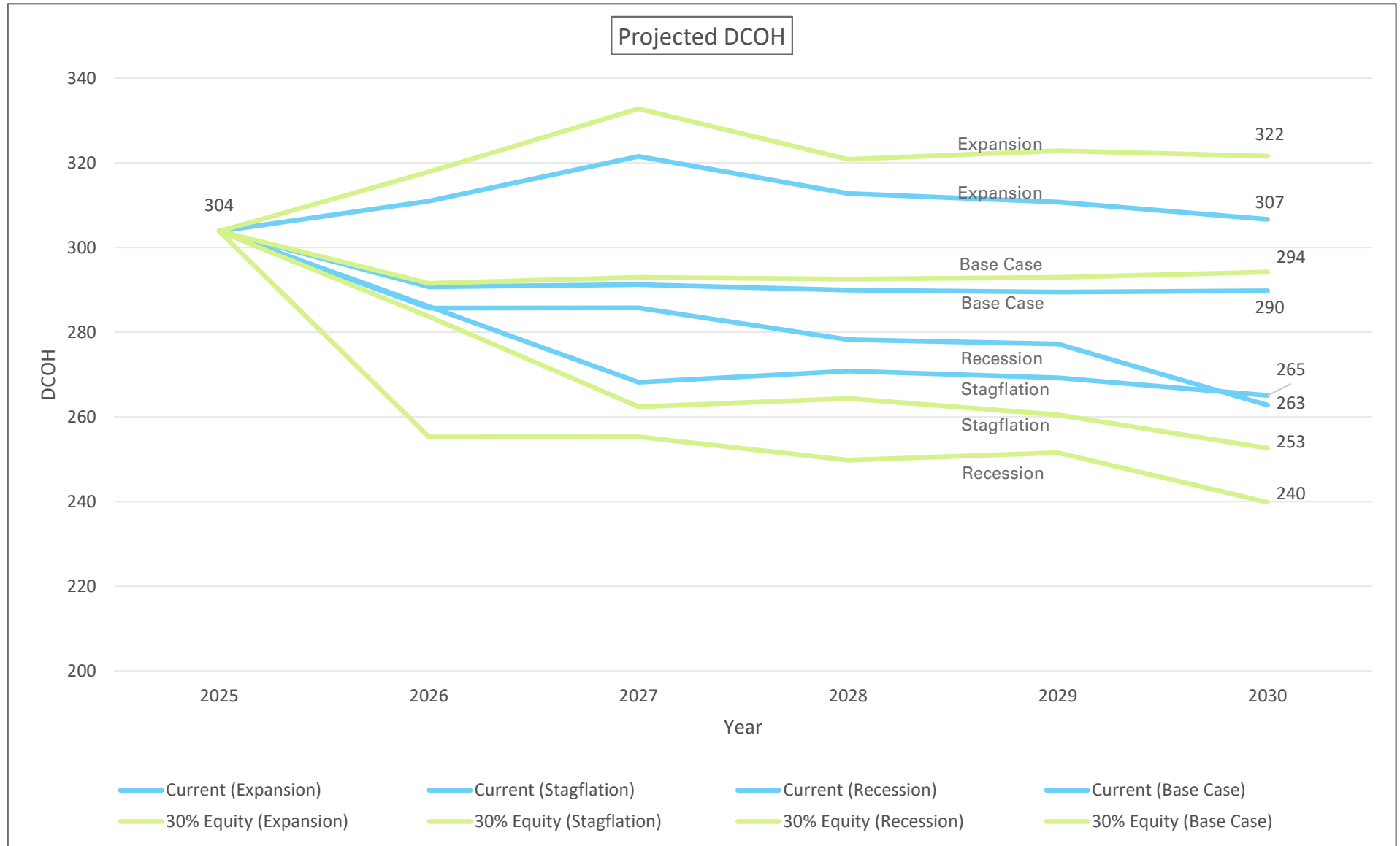


PROPRIETARY & CONFIDENTIAL

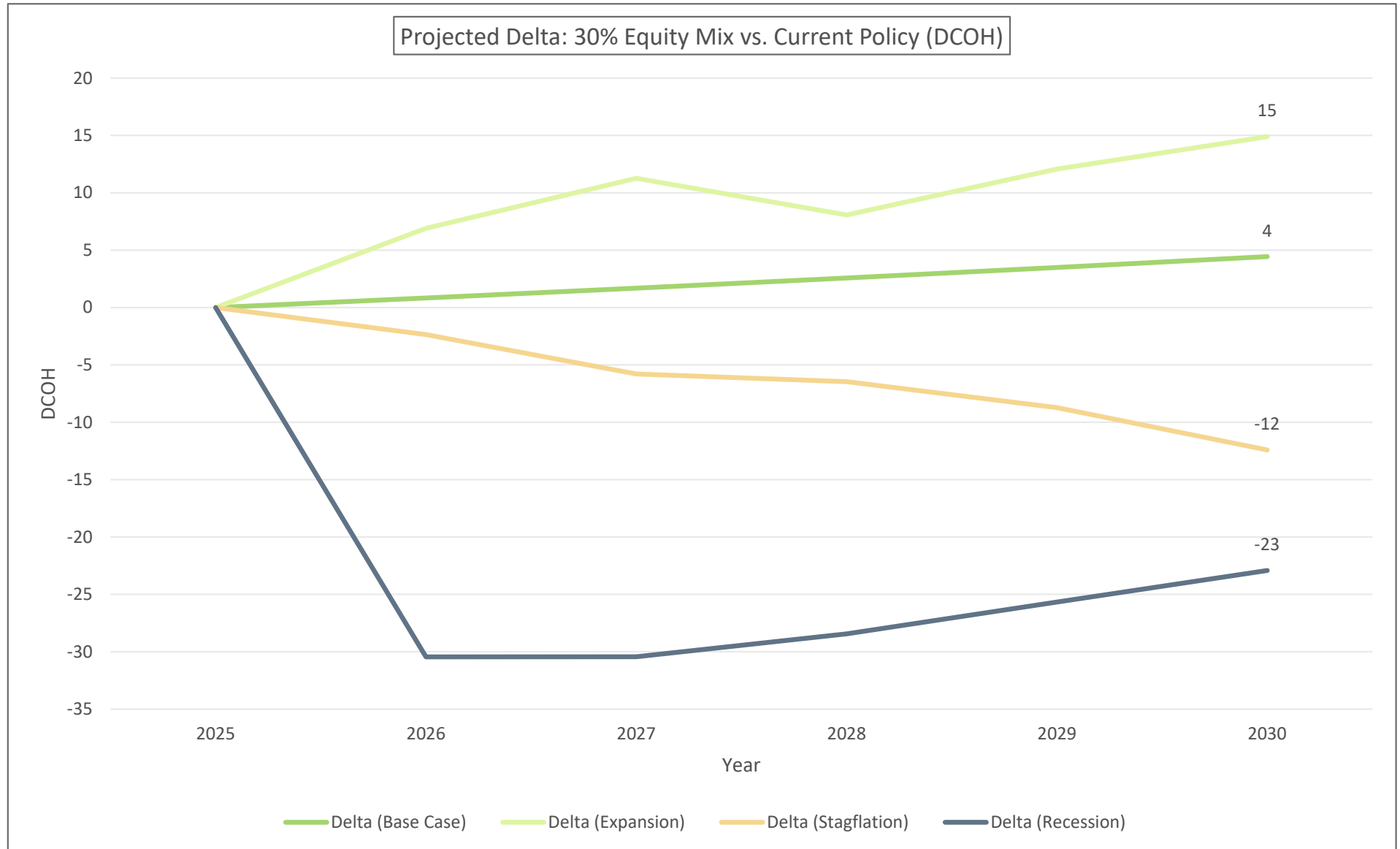
OVERVIEW OF SCENARIOS



OVERVIEW OF SCENARIOS



OVERVIEW OF SCENARIOS



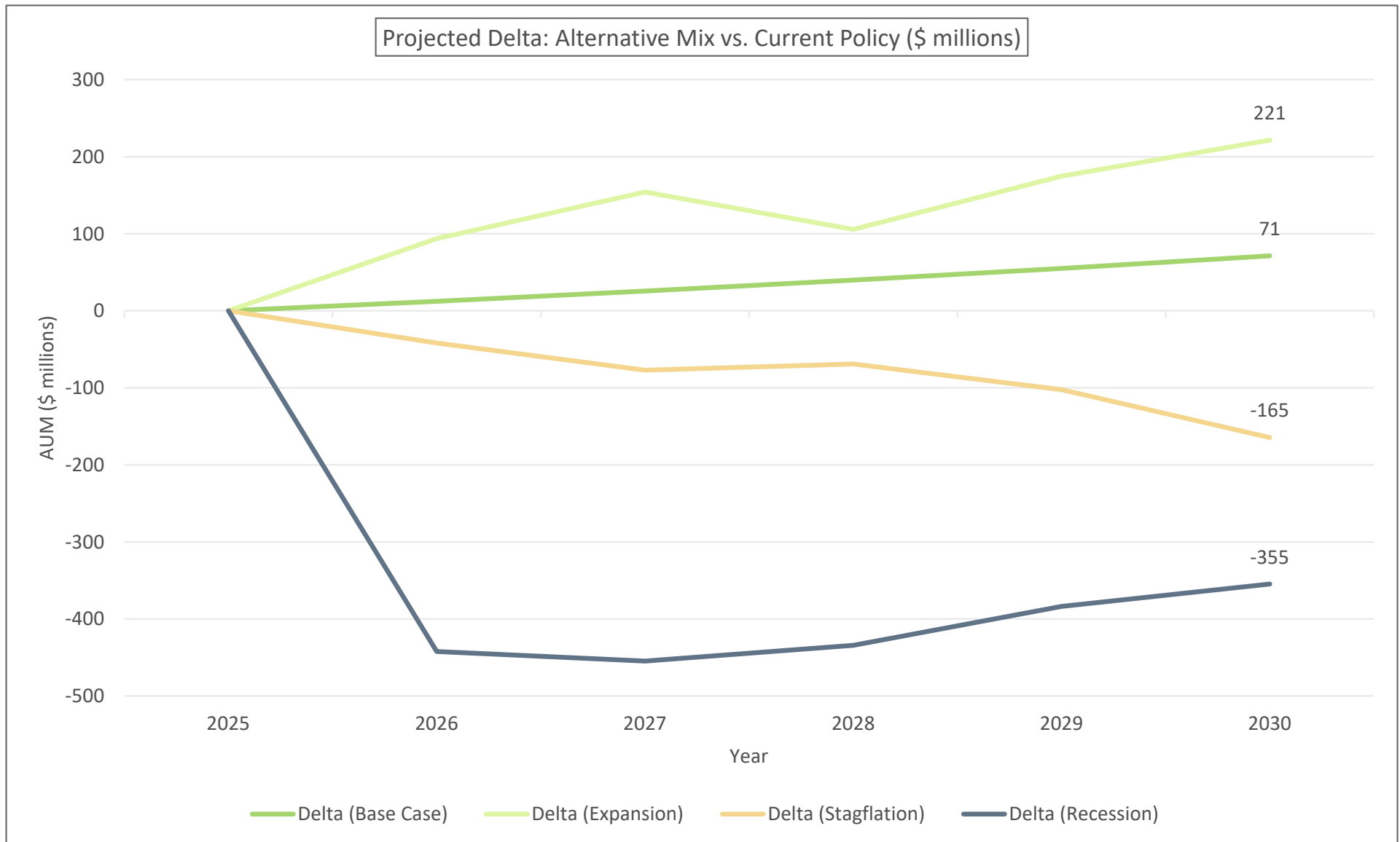


ALTERNATIVE MIX SCENARIO ANALYSIS

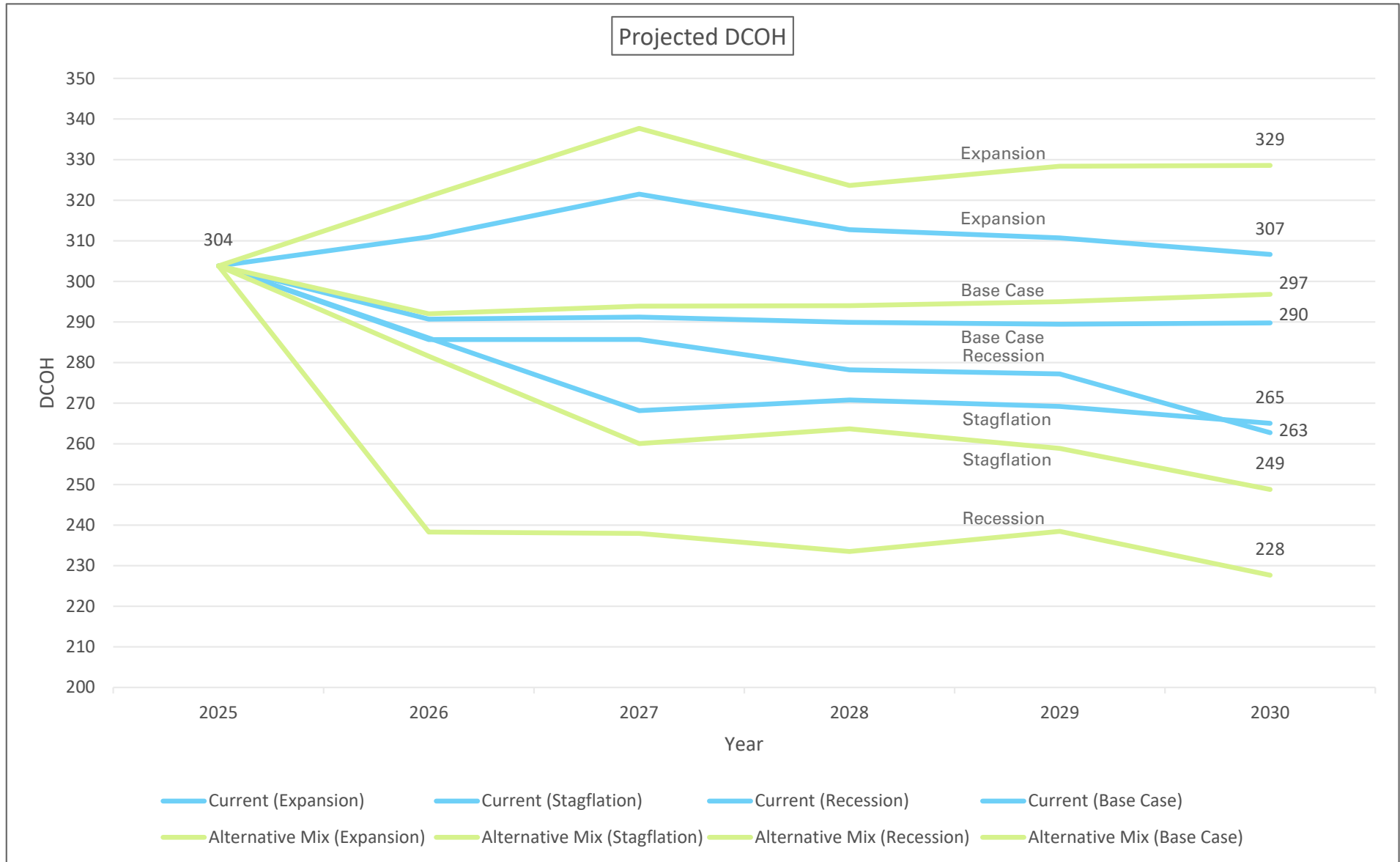


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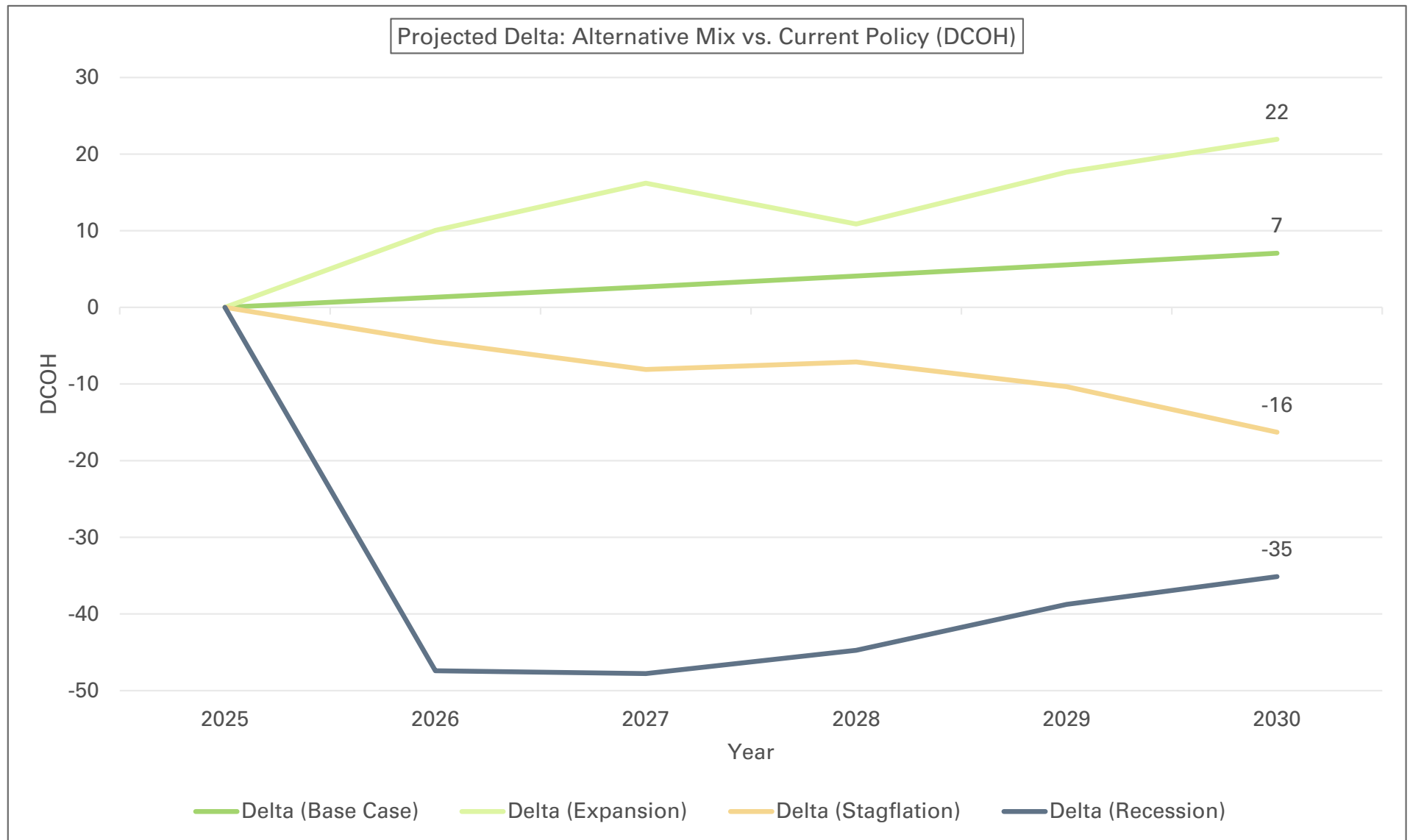
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OVERVIEW OF SCENARIOS



OVERVIEW OF SCENARIOS





OTHER OPERATING ASSET ALLOCATIONS



PROPRIETARY & CONFIDENTIAL

MHS OTHER OPERATING ASSET ALLOCATIONS FOR DISCUSSION

| | Current Policy | Phase 1 Alternative Mix | Phase 2 | Phase 3 |
|-----------------------------------|----------------|-------------------------|--------------|--------------|
| Cash | 15.0% | 15.0% | 15.0% | 15.0% |
| Total Cash | 15.0% | 15.0% | 15.0% | 15.0% |
| Global Equity | 20.0% | 35.0% | 35.0% | 35.0% |
| Total Equity | 20.0% | 35.0% | 35.0% | 35.0% |
| Diversified Credit | 0.0% | 6.0% | 5.0% | 5.0% |
| Global Multi-Sector Fixed Income | 0.0% | 7.0% | 5.0% | 5.0% |
| US Short-Term Fixed Income | 10.0% | 10.0% | 10.0% | 10.0% |
| US Intermediate-Term Fixed Income | 55.0% | 27.0% | 20.0% | 15.0% |
| Total Fixed Income | 65.0% | 50.0% | 40.0% | 35.0% |
| Private Equity | 0.0% | 0.0% | 5.0% | 10.0% |
| Private Debt | 0.0% | 0.0% | 5.0% | 5.0% |
| Total Alternatives | 0.0% | 0.0% | 10.0% | 15.0% |

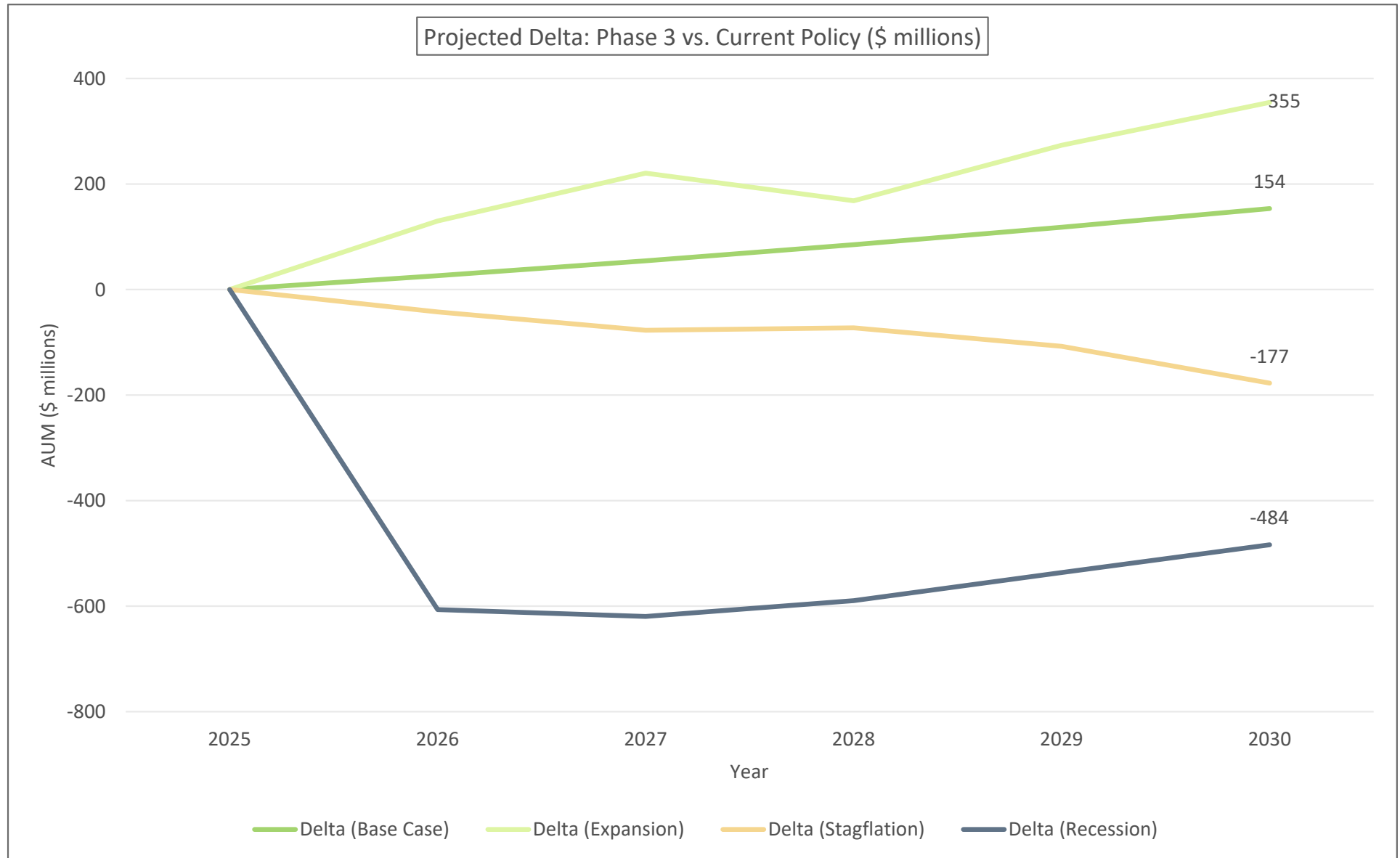
| | | | | |
|--------------------------------|-------------|-------------|-------------|--------------|
| Expected Return 10 yrs | 5.5% | 5.8% | 6.1% | 6.3% |
| Expected Return 30 yrs | 5.9% | 6.3% | 6.8% | 7.1% |
| Standard Dev | 5.4% | 7.7% | 8.9% | 10.1% |
| Sharpe Ratio (10 years) | 0.25 | 0.22 | 0.22 | 0.22 |

- NEPC is utilizing a stepwise approach to evolve the MHS Operating portfolio given the appetite for additional risk
- Phase 2 introduces allocations to Private Equity and Private Debt and includes the fixed income diversification that was set forth in the Alternative Mix
- Phase 3 is NEPC's goal asset allocation, which would increase private markets exposure at the expense of fixed income
 - The private markets target allocation would be 15% of the total portfolio
 - Note, building a private markets program to targets will take time due to the long-term nature of the asset class
- As we look to expand the portfolio into private markets, we recognize the importance of providing foundational education on these asset classes to ensure alignment and informed decision making across the Committee

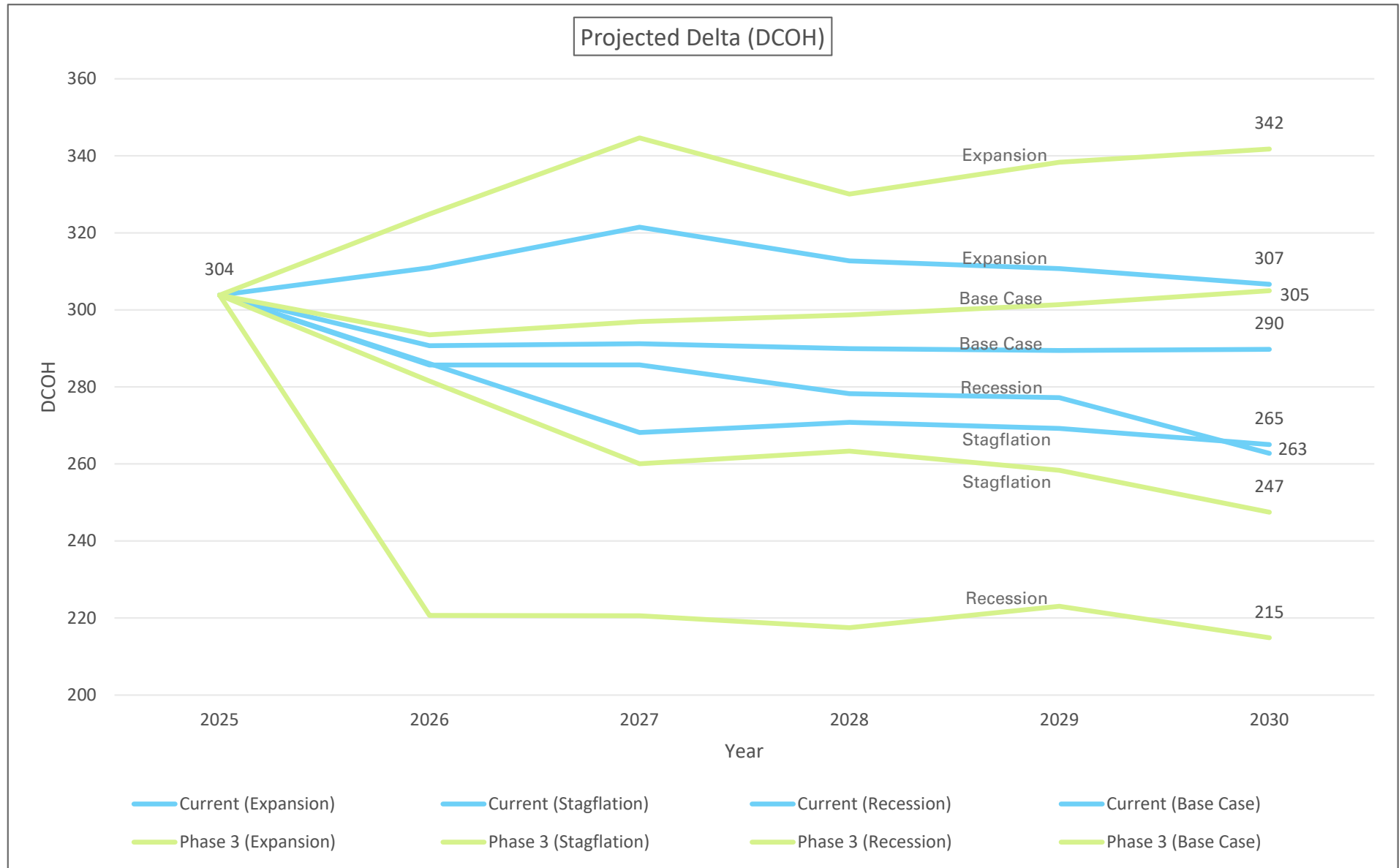


Expected return and risk based on NEPC capital market assumptions as of 12/31/2024

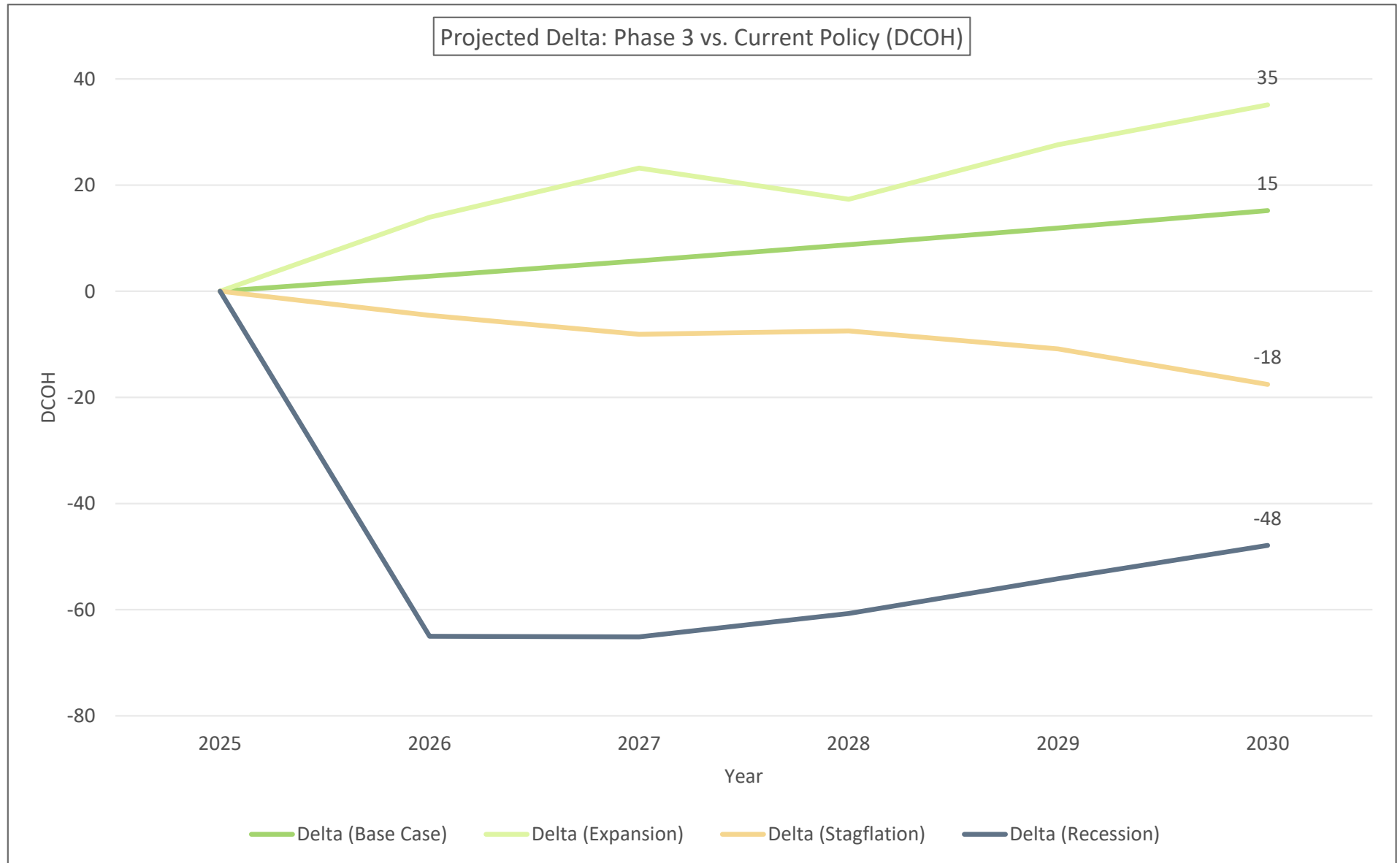
OVERVIEW OF SCENARIOS



OVERVIEW OF SCENARIOS



OVERVIEW OF SCENARIOS



SUMMARY

MHS OPERATING PLAN ASSET ALLOCATION

- **Based on Committee feedback, approval of preferred mix**
 - 30% Equity Mix
 - Alternative Mix – 35% Equity, Fixed Income diversification

- **NEPC will work with MHS Staff to provide private markets education to the Finance Committee, particularly in Private Equity and Private Debt**
 - NEPC will seek the Committee's approval for Phase 2 and Phase 3 at a later date following better understanding of private asset classes



ASSET CLASS EDUCATION OVERVIEW



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NEPC INVESTMENT TEAM



\$1.8T
AUA/AUM¹



\$106M
Negotiated Client Fee
Savings²

WE ARE INVESTORS FIRST



71 Investment Professionals³

14 YEARS Average Experience

- 22 Partners and Principals, 21 Years of Average Experience
- **LP Experience:**
Endowments, Family Offices, Pension Funds
- **GP Experience:**
Buyouts, Real Estate, Hedge Funds, Asset Managers

OUR EDGE

Proprietary investment framework, overcoming bias, and Second-Level Thinking⁴

PROVEN RESULTS⁵

Marketable securities: net outperformance of 0.8%
Private markets: net outperformance vs. public markets of 4% - 7%

| Buyout | Venture | Private Debt | Real Assets |
|----------------------------|---------------------------|---|-----------------------|
| Advent International | ACCEL PARTNERS | ARBOURLANE® | Dalfen INDUSTRIAL |
| BainCapital PRIVATE EQUITY | Bessemer Venture Partners | BLUE TORCH CAPITAL | GRAIN MANAGEMENT |
| Coral Tree Partners | INDUSTRY VENTURES | FP KENNEDY FRANCISCO PARTNERS LEWIS INVESTMENT MANAGEMENT | IPI |
| EMK Capital | MERITECH | MCCP | KAYNE ANDERSON |
| KPS CAPITAL PARTNERS, LP | NEA | 6 SIXTH STREET | OAKTREE |
| THOMABRAVO | SPARK CAPITAL | VWH CAPITAL | SINGERMAN REAL ESTATE |
| WARREN EQUITY PARTNERS | | WHITEHORSE LIQUIDITY PARTNERS | VISION RIDGE PARTNERS |

¹As of 1/1/2025 ²As of 12/31/2024, annual savings. Reflects only asset-based management fee vehicles with active exposure by NEPC's clients; includes both OCIO and advisory client managers. Past performance is no guarantee of future results. Not all funds are suitable for all clients and some funds may be closed to new investment. ³As of 1/1/2025 ⁴<https://www.oaktreecapital.com/docs/default-source/memos/2015-09-09-its-not-easy.pdf> ⁵Marketable securities annualized 10-year returns are as of 6/30/24 and are net of investment manager fees and net of estimated NEPC advisory fee of 10 bps. Average net return of NEPC's Focused Placement Lists (FPLs). FPL performance represents a weighted average net return of all 1- and 2-rated FPL strategies across current and former NEPC clients tracked through InvestorForce and PARis. Private markets returns are as of 12/31/23 and depict the pooled net IRR of NEPC's FPLs. Public Market Proxy Return is calculated as follows: average of annualized index returns from 2013-2023, 2014-2023, 2015-2023, 2016-2023, 2017-2023, 2018-2023, 2019-2023, 2020-2023, 2021-2023, 2022-2023. Buyouts are compared to the S&P 500 Index, Venture is compared the Russell 2000 Index, Private Debt is compared to an index composed of 50% Bank of America Merrill Lynch US High Yield Index/50% S&P/LSTA Leveraged Loan Index, Private Real Estate is compared to the FTSE EPRA/NAREIT Developed Index. Does not include accounts NEPC does not advise on. Hypothetical performance is shown for illustrative and informational purposes only and does not reflect returns that any investor actually attained. There is no guarantee that the hypothetical performance will be achieved in the future or than an investment will not result in losses.

PRIVATE EQUITY AND PRIVATE CREDIT

OVERVIEW

- **Private Equity and Private Credit are sources of investment capital provided by institutions and high net worth individuals for the purposes of acquiring interests in companies and/or products**
- **The role in a portfolio is as a return enhancer, with the premium earned over other investment options serving to compensate for the liquidity risk**
- **Large investable universe**
 - Over \$400 billion raised annually across strategies in each of the last six years
 - Approximately \$3.8 trillion in assets under management, including portfolio value and un-invested capital
- **Two components of private equity/private debt return:**
 - Capital Appreciation: Derived from an increase in the value of an asset between acquisition and sale
 - Current Income: Derived from portfolio company operations, loans and leases
- **Investment diversification**
 - Not fully correlated with public equities
 - Access to smaller companies and wider range of strategies

HOW PRIVATE EQUITY IS DIFFERENT FROM PUBLIC EQUITY

PUBLIC EQUITY

Daily liquidity

Invested immediately

Daily valuations

Market pricing

Fees as a % of NAV

Regulated reporting

Benchmark managed

Some activism

PRIVATE EQUITY

Illiquid, 10+ year funds

Invested over time

Quarterly valuations

Estimated fair value

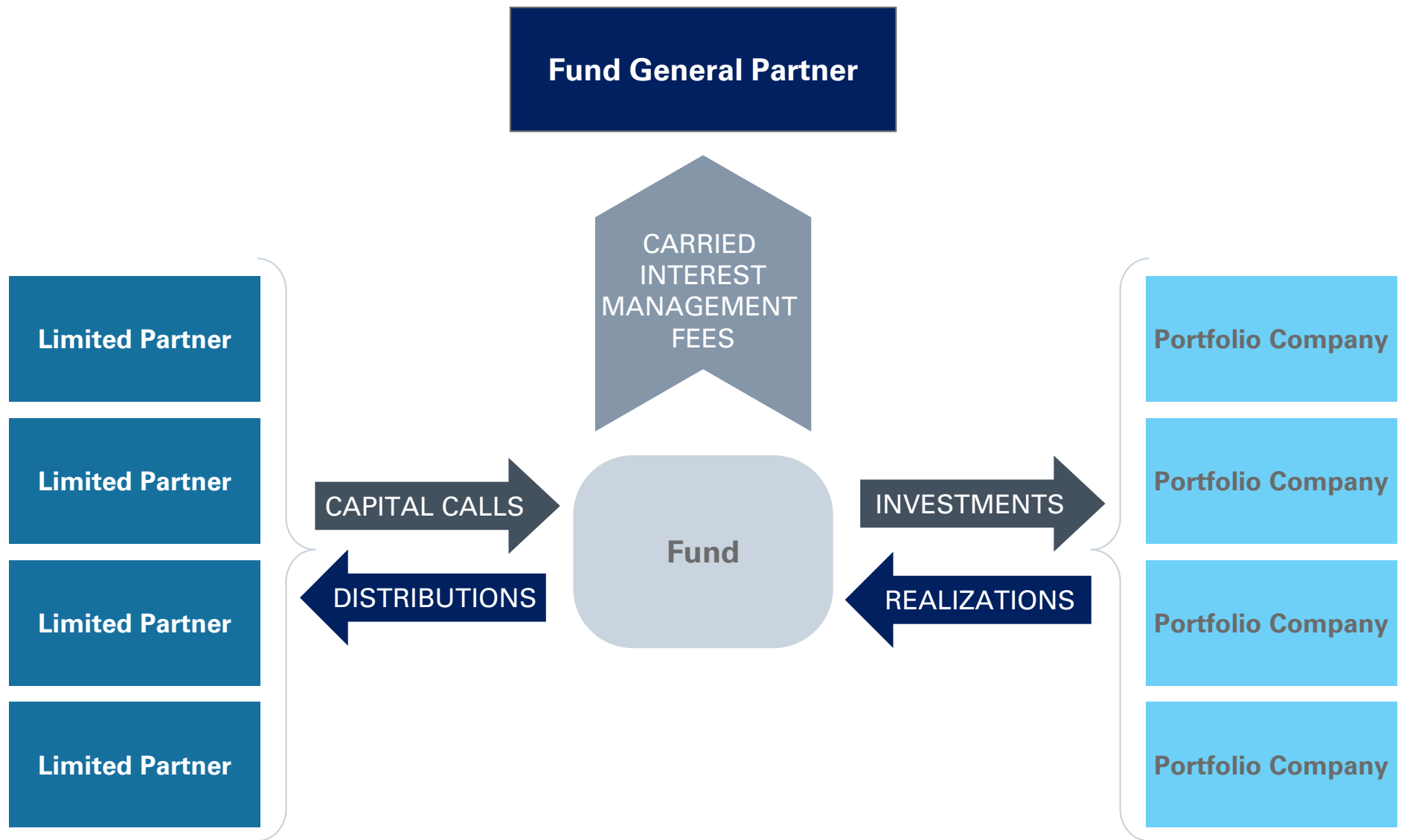
Fees as % of commitment

Transparency varies

Managed for alpha

Active value creation

MECHANICS OF INVESTING IN A PRIVATE EQUITY FUND



HOW PRIVATE DEBT IS DIFFERENT FROM PUBLIC DEBT

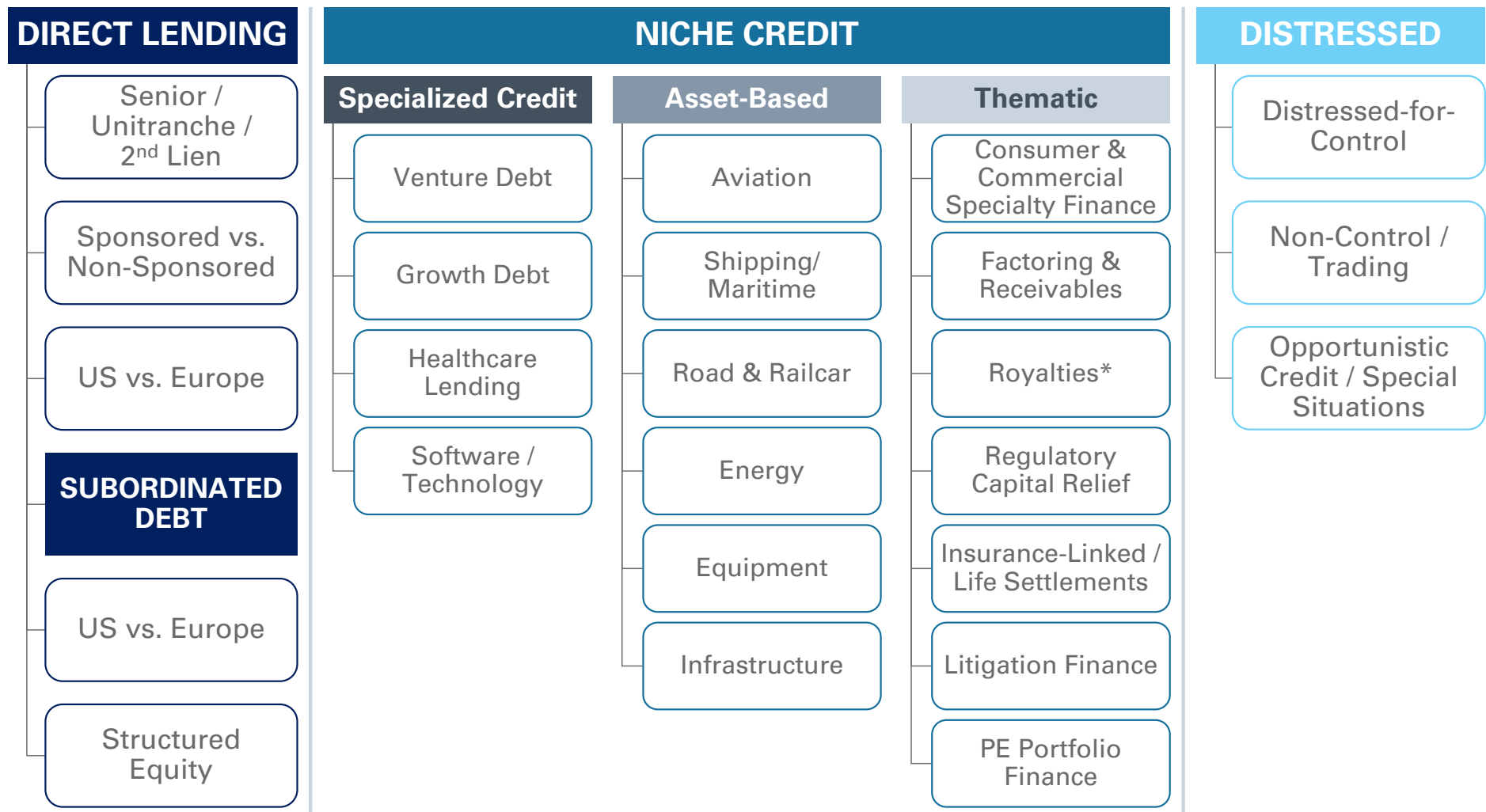
PUBLIC DEBT

Daily liquidity
Invested immediately
Daily valuations
Market pricing
Fees as a % of NAV
Regulated reporting
Benchmark managed
Some activism

PRIVATE DEBT

Illiquid, 7-10 year funds
Invested over time
Quarterly valuations
Estimated fair value
Fees as % of commitment
Transparency varies
Managed for alpha
Active value creation

NEPC PRIVATE DEBT TAXONOMY



Yield-Oriented/Capital Preservation/
Lower Outcome Dispersion

Maximized Return/Capital Appreciation/
Higher Outcome Dispersion



APPENDIX

PROPRIETARY & CONFIDENTIAL

GLOSSARY OF TERMS

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:

(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return - Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:

*Calculation Average (X-Y)/Downside Deviation (X-Y) * 2
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)*

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:

(Annualized Return of Portfolio - Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:

*Tracking Error = Standard Deviation (X-Y) * $\sqrt{(\# \text{ of periods per year})}$
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4*

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:

(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark < 0

INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.



Finance Committee Review

MHW Surgery Expansion: MSDSC

April 17, 2025



Strategic Clearinghouse Review | MHW Surgery Expansion: MSDSC

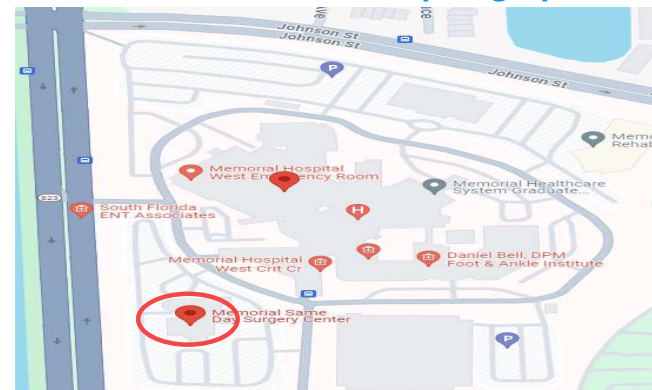
Background

Overview of Same Day Surgery Center



- Opened June 1994 > Ambulatory Surgical Facility of So FL LLLP leased & operated
- Square Footage: 19,450 sq/ft
- OR: 4 + 2 new
- Procedure Rooms: 3
- Specialties: Ophthalmology, Pain Management, Gastroenterology, Plastics, OBGYN, Otolaryngology, Orthopedic, Urology, Podiatry (total ~8k cases/yr)
- Management Company: AmSurg (No Equity)

FCHN Investment Same Day Surgery Center

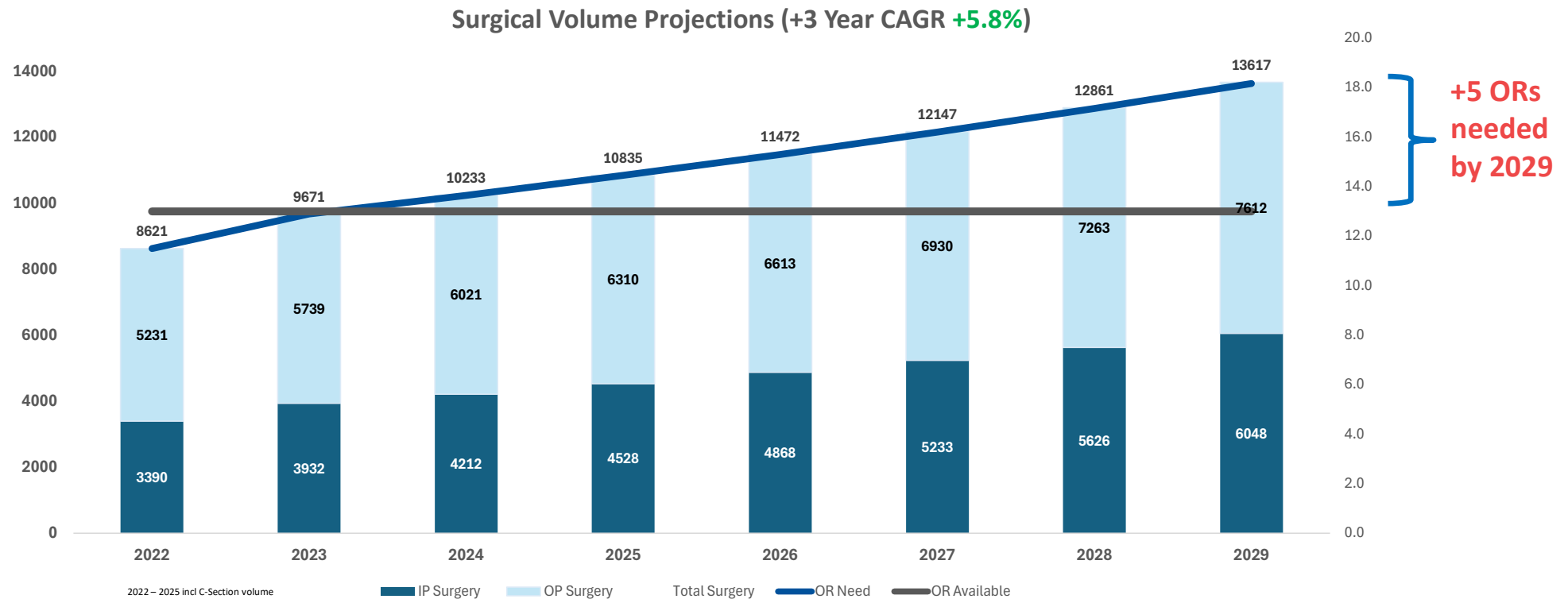


- Investment Date: March 2013
- FCHN Ownership: 51%
- Physician Ownership: 49%
- Cash Investment: \$2,600,000
- Cash Distributions: \$4,420,714
- Lease Payments to MHS: +\$18M LTD (since 1994)



Strategic Clearinghouse Review | MHW Surgery Expansion: MSDSC

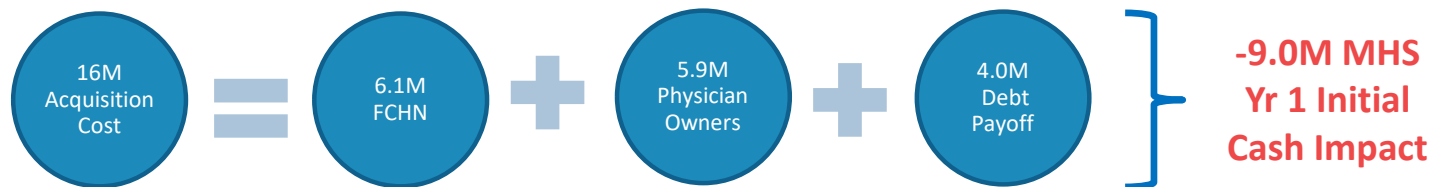
Background – MHW OR Capacity **+5.8%** Compounded Annual growth rate over the past 3 years FY22-FY24 (combined IP or OP)





Strategic Clearinghouse Review | MHW Surgery Expansion: MSDSC

Proforma & ROI Assumptions



Prelim FMV range: 20.2M – 23.5M

| | | | | Rental Income | FCHN 51% Payout | FINAL |
|--|----|--------------|----------------------------|------------------|--------------------|----------------|
| \$16M Purchase Price, Volume Loss, Implementation Cost | | | | | | |
| Year 1 | \$ | (14,436,058) | | \$ (888,000) | \$ 6,120,000 | \$ (9,204,058) |
| Year 2 | \$ | 10,233,970 | Backfill with West Volumes | \$ (888,000) | \$ - | \$ 9,345,970 |
| Year 3 | \$ | 10,438,650 | 2% YOY Growth | \$ (888,000) | \$ - | \$ 9,550,650 |
| Year 4 | \$ | 10,647,423 | 2% YOY Growth | \$ (888,000) | \$ - | \$ 9,759,423 |
| Year 5 | \$ | 10,860,371 | 2% YOY Growth | \$ (888,000) | \$ - | \$ 9,972,371 |
| | \$ | 27,744,356 | | \$ (4,440,000) | \$ 6,120,000 | \$ 29,424,356 |
| 5 Yr Internal Rate of Return | | | | | | 96% |

★ Payback within 4 years



MEMORIAL HEALTHCARE SYSTEM

Thank You
