

2006 ANNUAL REPORT



Halifax Regional, your community hospital for nearly 100 years, is moving forward. We sense the exciting changes in our region and are growing to meet its evolving healthcare needs.

Here we go!

New physicians, advanced technology and updating our building are priorities while we strengthen our financial condition. It all comes together right here for the better health of the Roanoke Valley.

"PATIENTS FIRST" MEANS GOOD CARE, IN OUR COMMUNITY

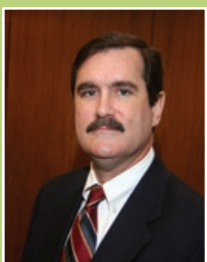
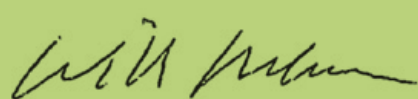
A recent article in a national news magazine told the story of a patient who chose to have surgery at his community hospital when he could have traveled a few hours to a world renowned medical center. He had an excellent outcome.

Community hospitals are the mainstays of hospital care in America. A survey by the national accreditation organization for hospitals demonstrated that we provide a high quality of care. The Board of Directors, Administration and the Medical Staff are committed to providing the latest technology from dedicated caregivers.

We are a not-for-profit, community-focused, organization and that's an important distinction. It means any surplus remaining at the end of the year is reinvested in improving the health services for our community. We treat all patients, regardless of their ability to pay. Last year, we provided \$20 million in uncompensated care.

Halifax Regional is essential to the success of our community. We contribute to the health and the economy of the region and take seriously our responsibility as a leader.

Our goal is to earn your support and trust by placing patients first.

William Mahone V
President and CEO

Achievements of 2005 - 2006

- Fully accredited by the Joint Commission on Accreditation of Healthcare Organizations. Lab accredited by the College of American Pathologists and validation by state inspectors. Imaging Department accredited by FDA and NC Radiation Protection Division. Nurse Managers Certified.
- Recruitment of three physicians.
- Implementation of new hospital information system and clinical document system for nursing.
- Sexual Assault Nurse Examiners program and treatment room established.
- Hired Will Mahone as President and CEO and Sherry Jenson as Vice President of Finance, and reorganized management team.
- Extended hours of imaging to 8 p.m. to accommodate patients. Extended visiting hours in the Intensive Care Unit.
- Received more than \$660,000 in grants from The Duke Endowment, Kate B. Reynolds Foundation and NC Office of Rural Health.
- Awarded \$60,000 in scholarships to students in nursing, pharmacy and cardiopulmonary programs.
- Updated the Medical Center's brand and redesigned the Web site.



HALIFAX REGIONAL BEST PLACE TO WORK



Best Doctor
Kenneth Robert, MD
Roanoke Clinic



Best Nurses
left to right, Becky Burkett, Yogi Draughan,
and Helen Williams

BOARD of DIRECTORS

J. Hugh Bazemore, *Chairman*
Retired, RBC Centura Regional
Marketing Manager

Drewery Beale
Mayor, Roanoke Rapids
Retired Police Chief

Linda Brewer, *Vice Chairman*
Retired, Social Security Administration
Preschool Teacher

Vernon Bryant
Judicial District Manager, Halifax County
Chairman, Roanoke Rapids City School Board

Ed Deese
Retired, Social Security Administration
Roanoke Rapids City Council

Johnny Draper, *Treasurer*
Mayor, Weldon

Barbara W. Harris, *Secretary*
School Nurse, Weldon City Schools

Marcheta King
Retired, Roanoke Rapids business owner

Tom Lynch
Owner, Lynch's Office Supply

William Mahone V, *President*
Halifax Regional Medical Center

Isaac Miller, MD, *Past Chief of Staff*
Halifax Medical Specialists
Internal Medicine Physician

Neal Phillips
Retired County Manager
Part-time Town Manager, Weldon

James Pierce, *Member-at-Large*
Electrical and Instrumentation Supervisor,
Kapstone Kraft Paper
Chairman, Halifax County Commission

Rev. John W. Smith
Retired, Clinical Chaplain II from
Department of Corrections
Pastor, Little Zion Baptist Church,
Halifax, NC
Bethany Baptist Church,
Valentines, VA

Fred Wier, MD, *Chief of Staff*
General Surgeon, Roanoke Valley
Surgical Associates

SENIOR MANAGEMENT

William Mahone V
President and Chief Executive Officer

Diane Barlow
Vice President

Karen Daniels
Vice President of Nursing

Sherry Jensen
Vice President of Finance

Val T. Short
Vice President

OUR { financial } HEALTH

Halifax Regional improved its financial performance in 2005-06, although we continue to work toward greater financial stability.

For the year, we had approximately \$865,027 remaining after expenses. Add \$580,000 that we earned on our investments, and you have our surplus for the year to reinvest back into our Medical Center. That figure amounts to approximately 1.5 percent of excess revenue. One of our priorities is to increase that percentage to industry averages.

Below is the summary of our income and expenses.

FINANCIAL REVIEW

Year Ending September 30, 2006

| | | |
|--|--------------|---------------------|
| Operating Income | | \$90,631,431 |
| Expenses: | | |
| Salaries and Benefits | \$45,064,283 | |
| Supplies | \$11,093,648 | |
| Bad Debt | \$12,726,318 | |
| Depreciation on Equipment and Buildings | \$5,461,287 | |
| Other | \$15,420,868 | |
| Total Expenses | | \$89,766,404 |
| Total Operating Income After Expenses | | \$865,027 |



Halifax Regional Medical Center
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www.halifaxregional.us

