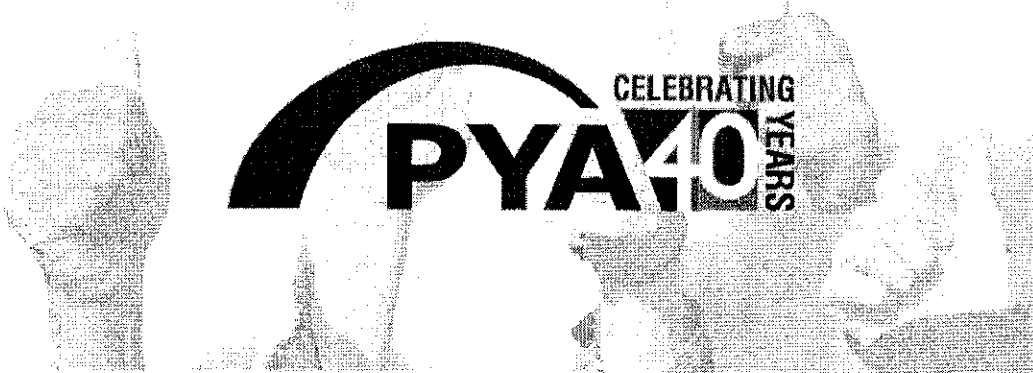


Parrish Medical Center Board of Directors Receives Stellar Results from Independent Review of Operating Performance as a Florida Special District

June 5, 2024

Stellar results received.



At the June 3, 2024, Board of Directors meeting of the North Brevard County Hospital District (d/b/a Parrish Medical Center) (the District, Parrish, and/or PMC), Chairman of the Board Robert Jordan received what he described as stellar results from an independent review of PMC's operating performance. PYA, P.C. (PYA) Principal, Strategic Planning Services Leader Brian Fuller and PYA Manager, Strategic Planning Services Dwight Tarwater prepared and presented the review. Following is the executive summary of the report.

In 2021, the Florida Legislature passed the Uniform Special District Accountability Act (s. 189.0695, F.S.) (the Act) which mandated all Florida Independent Special Districts (FISD), including public special district hospitals, conduct reviews of their operating performance as defined by the Legislature in the Act, utilizing independent, objective third parties experienced in the evaluation of hospital/health system operating performance.

Parrish Medical Center engaged PYA, P.C. (PYA), a national healthcare advisory and accounting firm, to evaluate its operating performance in accordance with the directives of the Act. PYA conducted a thorough review of available data and analyses related to the District's operating performance against established, best practice metrics and criteria, both over time and relative to defined peer organizations.

In addition, PYA interviewed a number of District stakeholders to ensure it understood and was able to represent PMC's operating performance in the context of historic and current market realities.

PYA evaluated the District's operating performance against its own historic trends, as well as relevant peer organizations, across the following, industry standard domains:

- Quality
- Access
- Community Benefit
- Cost
- Financial Performance

Highlights associated with the evaluation performed by PYA are summarized below.

Findings

- PMC excels in delivering safe, high quality care to its community. Quality improvement is a primary focus of PMC leadership. PMC has achieved marked improvement in quality over the years within those areas where PMC has invested its focus and resources. Most notably, according to the Leapfrog Group, PMC has moved from a C safety grade in Fall 2023 to an A grade by Spring 2024, a grade consistent with PMC's pre-pandemic safety performance levels.
- From an access perspective, PMC provides a broad set of services for a community the size of North Brevard County and is making investments to improve upon the access to care within the community. Specifically, PMC has added over 50 new healthcare providers and over 30 new programs since 2020. Further demonstrating its commitment to North Brevard County, PMC has invested over \$221 million through charity care, community building, and other benefit initiatives over the past decade.
- Even though PMC can tax its community, the Board of Directors, in its desire to not burden local taxpayers, has chosen not to seek tax support as a means of supporting hospital operations for the past 29 years. Since 2017, FSD hospitals have levied \$2.3 billion in *ad valorem* taxes collectively. Over the past 29 years, PMC, in its decision to not levy taxes on the community, has forgone \$42 million in potential tax revenue.
- Like most hospitals nationally, PMC faces a set of challenges that management has identified and is working to improve. Some examples include longer than desirable wait times in the emergency department (ED) and select areas of financial performance. These challenges were largely exacerbated by the COVID-19 pandemic, but are also the product of local market realities, including socioeconomic disadvantages inherent in the community and the state's historic underinvestment in community health infrastructure and capabilities. PMC management recognizes the challenges associated with being an FSD in an economically challenged, highly competitive /regional healthcare marketplace and actively initiates mitigation and/or contingency plans when performance is not meeting expectations.

Recommendations

Based upon our 40 years of relevant industry experience, deep familiarity with the state of Florida, and the analysis detailed herein, PYA believes the District is mission-oriented, actively managed by an experienced, professional team, dedicated to the service of the residents of North Brevard County, and demonstrates a reasonable recovery in the aftermath of the COVID-19 pandemic. As such, we offer no statutory and/or budgetary recommendations to improve PMC's program operations at this time.

"PMC will showcase each domain the review covers with pride and transparency to the public as part of a robust communications campaign," said Parrish Medical Center Chairman of the Board Robert Jordan.

"While I, and my fellow board members, never waiver in our confidence of the deep commitment that we, as the governing body, or that of every Parrish Care Partner has to our mission and to the community we serve, this excellent independent review is a welcome validation. We are, and will remain, Parrish proud," added Jordan.

A full copy the study PYA prepared for PMC, titled "Independent Special District Operational Performance Review," is available online at parrishhealthcare.com/pmc-performance-review.

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About PYA

Ranked among the top CPA firms in the nation by *USA Today*, *Forbes*, and *INSIDE Public Accounting*, PYA is also a leader in the percentage of female ownership. We are a Top 15 auditor of the nation's largest health systems and are consistently ranked as one of the country's Top 20 healthcare consulting firms by *Modern Healthcare*. Serving clients in all 50 states from our headquarters in Knoxville, as well as offices in Atlanta, Charlotte, Helena, Kansas City, Nashville, and Tampa, PYA provides expertise in tax, audit and assurance, IT, and management consulting. For more information visit <https://www.pyapc.com>.