



August 11, 2025

Charlotte County Board of County Commissioners

18500 Murdock Circle
Port Charlotte, FL 33948

Subject: Recommendation – COPCN Approval for Pasco-Pinellas Hillsborough Community Health System, Inc. DBA AdventHealth Wesley Chapel

Honorable Commissioners,

On behalf of Charlotte County Public Safety, I am pleased to submit this recommendation for approval of a Certificate of Public Convenience and Necessity (COPCN) for Pasco-Pinellas Hillsborough Community Health System, Inc., doing business as AdventHealth Wesley Chapel.

Following a thorough review of the application package, all required documentation, and compliance verification, staff has determined that AdventHealth Wesley Chapel meets the operational, financial, and regulatory requirements outlined in Chapter 401, Florida Statutes; Florida Administrative Code 64J-1; and Chapter 2, Article III of the Charlotte County Code of Ordinances.

AdventHealth Wesley Chapel has demonstrated:

- Adequate staffing, equipment, and facilities to provide safe, effective, and reliable EMS transport services.
- Compliance with all state and local communications, medical oversight, and vehicle permitting standards.
- Financial stability and the ability to maintain required insurance coverages.
- A service plan that will enhance access to emergency medical care, support interfacility transfers, and improve patient outcomes within Charlotte County.

Based on this review and the demonstrated commitment of the applicant to meet or exceed established EMS service standards, staff recommends approval of the COPCN for AdventHealth Wesley Chapel to operate within Charlotte County under the terms and conditions of applicable laws and regulations.

We respectfully request the Board's consideration and approval of this application.

Sincerely,

Jason S. Fair
Public Safety Director



CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (COPCN)

Charlotte County Public Safety

Charlotte County Public Safety

26571 Airport Road

Punta Gorda, Florida 33982

Phone: 941-833-5600

charlottecountyfl.gov/departments/public-safety

This checklist is designed to help reviewers verify the COPCN application package is complete and compliant.



COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Applicant

- Organization Name Pasco Pinellas Hillsborough Community Health System Inc
- DBA AdventHealth Wesley Chapel
- Contact Jeffrey A Bogue
- Email Jeffrey.Bogue@AdventHealth.com
- Phone 813-393-9380
- Office 813-929-5646

General Information

- ☒ Type of Application selected: ☒ New ☐ Renewal
- ☒ Certificate Type selected:
 - ☐ Class 2 – ALS Non-Transport
 - ☒ Class 3 – ALS Transport Interfacility Transfer
 - ☐ Class 4 – BLS Transport Interfacility Transfer
 - ☐ Class 5 – ALS Air Ambulance Services
- ☐ All applicant and contact information complete (Question 1–11)
 - ☒ Question 1 _____
 - ☒ Question 2 _____
 - ☒ Question 3 Need Emails - ryan.quattlebaum@adventhealth.com, jonathan.fisher@adventhealth.com
 - ☒ Question 4 Sunbiz Details and Fictitious Name Registration attached
 - ☒ Question 5 _____
 - ☒ Question 6 _____
 - ☒ Question 7 _____
 - ☒ Question 8 _____
 - ☒ Question 9 2 Units 24/7, 29 Units in Fleet
 - ☒ Question 10 _____
 - ☒ Question 11 _____
- ☒ Signature of Chief/Owner/Manager with title
- ☒ Application notarized

Required Attachments

- ☒ Attachment 1: Copy of current State of Florida EMS license
 - ☒ License Verification - <https://mqa-internet.doh.state.fl.us/mqasearchservices/healthcareproviders> -
 - ☒ License Clear
 - Expiration Date 06/04/2026
 - Disciplinary/Admin Action ☐ Yes ☒ No _____



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- Supervising Practitioner same as Medical Director ☒ Yes ☐ No
- Vehicles Permitted to ALS/BLS under Subordinate Practitioners Tab ☒ Yes ☐ No
- ☒ Attachment 2: Financial documentation
 - ☐ Government: budgeted amount for services
 - ☒ Non-government:
 - ☐ 2 years of Medicare audits (if applicable)
 - ☒ 3 years of audited financials
 - ☐ Shareholder/ownership info (if corporation)
 - ☐ Liability and malpractice insurance
- ☒ Attachment 3: Insurance verification (required limits and endorsement language)
 - ☒ Certificate of Coverage (Min. of 1,000,000 for both malpractice and auto (if transport))
 - Limits of Liability
 - Auto: All Vehicles Amount: \$5,000,000 Expires: 8/1/25
 - Type: HPL/CGL/ MCO E&O Amount: \$1,000,000/\$3,000,000 Expires: 4/1/26
 - Type: Worker's Compensation Amount: \$1,000,000 Expires: 8/1/25
 - Type: _____ Amount: _____ Expires: _____
 - ☒ County named as a certificate holder on policy
- ☒ Attachment 4: ALS/BLS Vehicle Form A-1 or A-2 (air), DH Form 1510
 - ☒ A-1 Ground Vehicles
 - ☒ Permitted with State Permit #
 - ☒ Complete information – Make, model, license plate
 - ☐ A-2 Aircraft
 - ☐ Form Completed
 - ☐ Liability Insurance for each Air Medical Crew Member and Medical Director
 - ☐ Copy of the Air Worthiness certificate for each aircraft
 - ☒ FL DH Form 1510 (Application for Vehicle Permit)
 - ☐ Provided OR
 - ☒ Printed from <https://mqa-internet.doh.state.fl.us/MQASearchServices/HealthCareProviders>
- ☒ Attachment 5: ALS/BLS Personnel Form B-1.
 - ☒ License Verification - <https://mqa-internet.doh.state.fl.us/mqasearchservices/healthcareproviders>
 - Disciplinary/Admin Action ☐ Yes ☒ No _____
- ☒ Attachment 6: FCC license/communications contract
- ☒ Attachment 7: Medical director contract or letter of agreement
 - ☒ Medical Director Medical License
 - ☒ Medical Director Controlled Substance DEA Registration



COPCN Application Review Checklist

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- ☒ Attachment 8: Medical director attestation of certified staff
- ☒ Attachment 9: Trauma Transport Protocols signed by medical director
- ☒ Attachment 10: Staffing patterns and operational hours
- ☒ Attachment 11: Proposed rate schedule
- ☒ Attachment 12: Standard Operating Procedures / EMS Policies
- ☐ Attachment 13: (Government only) Annual Report of Services
- ☒ Attachment 14: (Non-Governmental only) Service Justification Summary
 - ☒ Adequacy of standard operating procedures
 - ☒ Past performance and service history
 - ☒ Current services provided, including number and types
 - ☒ Financial impact on the overall cost of EMS services to the County
 - ☒ Demonstrated community need for proposed service
 - ☒ Compliance with Chapter 401, Florida Statutes, and related rules
 - ☒ History of Litigation

Fee Submission

- ☒ COPCN New Application Fee: \$1,000
- ☐ COPCN Renewal Fee: \$500
- ☐ Vehicle Permit Fee: \$50 (per vehicle beyond 5)
 - Total Fee: _____
- ☒ Payment method verified:
 - ☒ Check (by mail or in-person)
 - ☐ Credit card (in-person only)

Submission Requirements

- ☒ Packet mailed or delivered to:
Charlotte County Public Safety Department
26571 Airport Road, Punta Gorda, FL 33982
Attn: COPCN Request
- ☒ If new applicant (non-government):
 - ☐ County/Municipal Business Tax Receipt OR
 - ☒ Letter identifying proposed Charlotte County office location



COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Review and Approval

Reviewed By: Carr Date: 7/17/25

Name and Title: _____

Approved By: _____ Date: _____

Name and Title: _____

Sent to

Risk

Who Sent: _____ Date: _____ Note: _____

Legal Services Review

Who Sent: _____ Date: _____ Note: _____

Legistar (Agenda Item)

Who Sent: _____ Date: _____ Note: _____

Laserfiche/Documents Storage

Who Sent: _____ Date: _____ Note: _____

Renewal Reminder Scheduled

Who Sent: _____ Date: _____ Note: _____

ADVENTHEALTH ACCOUNTS PAYABLE
902 INSPIRATION AVE
STE 9100
ALTAMONTE SPRINGS, FL 32714
844/259-3577



CHARLOTTE COUNTY TAX COLLECTOR
18500 MURDOCK CIR
PORT CHARLOTTE FL 33948-0000

Invoice Number
AHWC-CHAR-01
Attn Deanna Varisco

Invoice Date
7/24/25
Vendor ID
0000059326
50600 5060 URG RTF

Gross Amount
1,000.00

Discount Taken
0.00

Paid Amount
1,000.00

Check Number
1003040691

Date
7/31/25

Total Gross Amount
\$1,000.00

Total Discounts
\$0.00

Total Paid Amount
\$1,000.00

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

AdventHealth
902 INSPIRATION AVE STE 9100
ALTAMONTE SPRINGS, FL 32714-1519

AdventHealth

64-1278/611

Number
Date
1003040691
7/31/25

Pay ****ONE THOUSAND AND XX/100 DOLLAR ****

\$1,000.00***

To The Order Of

CHARLOTTE COUNTY TAX COLLECTOR
18500 MURDOCK CIR
PORT CHARLOTTE FL 33948-0000

Bank of America
909 Hope Way
Altamonte Springs FL 32714

Authorized Signature

1003040691 061112788 3359886267

Credit Card Authorization Form

PLEASE PRINT OUT AND COMPLETE THIS AUTHORIZATION AND RETURN TO US.
All information will remain confidential.

Cardholder Name: JEFFREY A BOGUE

Billing Address: 2600 BRUCE B DOWNS BLVD
WESLEY CHAPEL FL 33544

Credit Card Type: Visa ✓ Mastercard Discover AmEx

Credit Card Number: 5569 6310 0143 5282

Expiration Date: 01/27

Card Identification Number (last 3 digits located on the back of the credit card): 570

Amount to Charge: \$ 1,000.⁰⁰ (USD)

I authorize CHARLOTTE COUNTY BOCC to charge the agreed amount listed above to my credit card provided herein. I agree that I will pay for this purchase in accordance with the issuing bank cardholder agreement.

Cardholder - Print Name, Sign and Date Below:

Signed: 

Dated: 7/7/25

Name: JEFFREY A BOGUE

Once signed return the completed form to:

PLEASE EMAIL RECEIPT

TO:

JEFFREY.Bogue@ADVENTHEALTH.COM
(813) 393-9380 - CELL



07/07/2025

Chief Jason Fair
Charlotte County Fire & EMS
26571 Airport Road
Punta Gorda, FL 33982

Dear Chief Fair,

Please find attached a completed COPCN application for Pasco-Pinellas Hillsborough Community Svcs, Inc DBA AdventHealth Welsey Chapel EMS. As you are aware AdventHealth has recently acquired Shore Point Healthcare and is now seeking a COPCN in order to allow AdventHealth EMS to transport our interfacility patients. During consideration of this request should the Board of County Commissioners or your team Require any added documentation please feel free to reach out to me.

All required documentation listed on the website application has been provided in the packet along with added supportive documentation. Should you or your team need any additional documentation please feel free to contact me. Would you please forward to me a Charlotte County W9 so that we are able to expeditiously provide payment for the required fees.

Jeffrey A Bogue
Executive Director of EMS / AirStar
AdventHealth West Florida Division
O-813-929-5646
T-813-393-9380



CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (COPCN) APPLICATION

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Type of application (Select One):

☒ New ☐ Renewal

Certificate Type (Select One):

☐ Class 2 – ALS Non-Transport ☒ Class 3 – ALS Transport Interfacility Transfer
☐ Class 4 – BLS Transport Interfacility Transfer ☐ Class 5 – ALS Air Ambulance Services

1. Applicant: Pasco Pinellas Hillsborough Community Healthl system Inc
D/B/A: AdventHealth Wesley Chapel State License#: 10006
Mailing Address: 30000 County Line Road
City: Wesley Chapel State: FL Zip Code: 33543
Email address: Jeffrey.Bogue@adventhealth.com Telephone: 813-929-5646
2. Contact Person: Jeffrey A Bogue
Title: Executive Director EMS/AirStar Telephone: 813-929-5646 Cell: 813-393-9380
Email Address: Jeffrey.Bogue@adventhealth.com
3. The name, address, telephone number, e-mail address, and title of the appropriate government official or, as applicable, the general manager, owner(s), officer(s), and director(s) of the firm, corporation, association, or other entity seeking a certificate (attach list if more than three individuals):
Ryan Quattlebaum 2600 Bruce B Downs Blvd Wesley Chapel FL 33544 President / CEO 813-929-5000
Jonathan Fisher 2600 Bruce B Downs Blvd Wesley Chapel FL 33544 VP / CFO 813-929-5000
Jeffrey Bogue 30,000 County Line Road Wesley Chapel FL 33543 Executive Director EMS / AirStar 813-929-5646
4. Date of incorporation/formation of business association (include copies of articles of incorporation, fictitious name registration): 2012
5. Geographic area or emergency call zone requesting to service (be specific):
All geographic locations within Charlotte county boarders
 - a. Approximate population of the area: 206,500
6. The length of time the applicant has been providing service in Charlotte County, if the applicant is seeking a renewal certificate: N/A
7. List the addresses of your base station (headquarters) and all substations, include the substation identifier (e.g., Station 2, attach list if more than three substations).
Base Station: 250 Cooper Street Punta Gorda FI 33982
Substation: _____

Substation: _____

Substation: _____

8. A description of the applicant's telephone and radio communications system including, but not limited to its assigned frequency, call numbers, and hospital communications capabilities: All ambulances are equipped consistent with FL DOH Communications plan, VHF, UHF< 800mHz and Motorola Wave radio systems, complete interoperability
9. The number of units that are:
- a. In-service, fully equipped, staffed, and operational twenty-four (24) hours a day 2
 - b. fully equipped, but reserved for emergency response 29 in WFD Fleet
 - c. The maximum number of units that would be placed in the area requested to respond to emergency calls and routine transfers 2 planned with ability to surge as needed
10. Proposed response time including a description of the source for such information: 15 min Emergent Intra/Interfaciity, 90 min non-emergent Intra/Interfacility. EMS HQ quality analyst provides data

11. Medical Director: Dr Frederick Todd Yonteck
- Mailing Address: 30000 County Line Road
- City: Wesley Chapel State: FL Zip Code: 33543
- Phone Number: 813-929-5646 Email address: _____
- Florida License Number: ME87287 Exp. Date: 01/31/2027
- D.E.A. Certificate Number: BY7503053 Exp. Date: 05/31/2028
- (Attach separate sheet if more than one Medical Director/Associate Medical Director. Also attach copy of Florida medical license and D.E.A. certificate for each)

12. Attach the following:

- Attachment #1* - Copy of current State of Florida EMS license.
- Attachment #2* - Financial Information.
- Attachment #3* - Certificates of insurance or certificates of self-insurance in compliance with this chapter.
- Attachment #4* - ALS/BLS Vehicles (Form A-1) and/or ALS Air Ambulance Vehicles (Form A-2).
- Attachment #5* - ALS/BLS Personnel (Form B-1).
- Attachment #6* - FCC license/communications contract.
- Attachment #7* - Written evidence that the applicant has employed or contracted with a medical director.
- Attachment #8* - A statement on letterhead from an applicant seeking to perform ALS Service and signed by its medical director attesting that all the applicant's EMTs and paramedics are certified, qualified, and authorized to perform basic and advanced life support.
- Attachment #9* - Trauma Transport Protocols signed by current medical director. If they are uniform for the entire County a signed statement from your medical director to that affect is acceptable.
- Attachment #10* - Applicants must identify staffing patterns and operational hours for each permitted vehicle.
- Attachment #11* - A copy of the applicant's schedule of rates proposed.
- Attachment #12* - Submit a copy of the applicant's SOPs and/or EMS policies and procedures, demonstrating their adequacy.
- ~~*Attachment #13* - (For Governmental entity only) Annual Report of Services from previous calendar year.~~
- Attachment #14* - (For Non-governmental entity only) Service Justification and Compliance Summary.

Important Notes:

Application packet and application fee will be accepted by mail sent to:


Attention: COPCN Request
Charlotte County Public Safety Department
26571 Airport Road
Punta Gorda, FL 33982.

Payment by mail with check only, or in-person with check or credit card.

1. **NOTE:** COPCN Application and Vehicle permit fees will be processed separately.
2. Non-governmental: provide a copy of County and Municipal Business Tax Receipts or NEW applicant provide a letter identifying proposed business office location in Charlotte County.

I, the undersigned, a representative of the above service do hereby attest that this application meets all requirements for operation of an Emergency Medical Service (EMS) Provider in the State as provided in Chapters 395 and 401, Florida Statutes, and Chapter 64J-1, Florida Administrative Code, and Chapter 2 Article III, Charlotte County Code of Ordinances. I further acknowledge any violations or discrepancies discovered will subject this service and its authorized representatives to actions and penalties provided by law.

All statements on this application and attachments are true and correct.



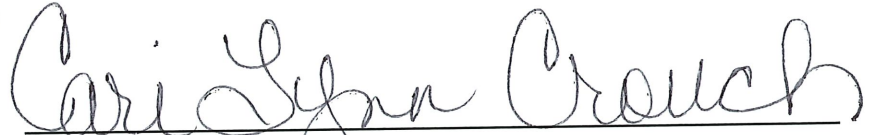
Signature of Chief/Owner/Manager

EXEC-DIRECTOR EMS/AIRSTAR

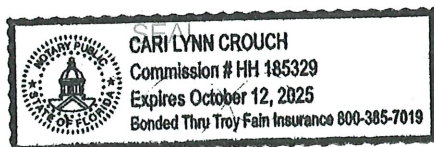
Title

STATE OF FLORIDA
COUNTY OF Pasco

Sworn to (or affirmed) and subscribed before me this 8th day of July, 2025
by Jeffrey Bogue (name of person making statement).



(Signature of Notary Public - State of Florida)



(Print, Type, or Stamp Commissioned Name of Notary Public)
Personally Known: ☒ OR Produced Identified: ☐ Type of
Identification Produced: _____

FALSE OFFICIAL STATEMENTS: Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree. § 837.06, Florida Statutes.



COPCN Application Review Checklist

Department of Public Safety

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Question 4

Articles of Incorporation
Fictitious Name Registration

Attached Yes ☒ / No ☐



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Search by Entity Name](#) /

Detail by Entity Name

Florida Not For Profit Corporation

PASCO-PINELLAS HILLSBOROUGH COMMUNITY HEALTH SYSTEM, INC.

Filing Information

Document Number N07000001137

FEI/EIN Number 20-8488713

Date Filed 02/01/2007

State FL

Status ACTIVE

Last Event AMENDMENT

Event Date Filed 04/23/2025

Event Effective Date 01/01/2013

Principal Address

2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

Changed: 06/01/2012

Mailing Address

14055 RIVEREDGE DRIVE - STE. 250
TAMPA, FL 33637

Changed: 07/23/2014

Registered Agent Name & Address

Schuman, Jessica
14055 RIVEREDGE DRIVE - STE. 250
TAMPA, FL 33637

Name Changed: 09/08/2022

Address Changed: 07/23/2014

Officer/Director Detail

Name & Address

Title AS

ADDISCOTT, LYNN
900 HOPE WAY
ALTAMONTE SPRINGS, FL 32714

Title AS

SAUNDERS, MICHAEL
900 HOPE WAY
ALTAMONTE SPRINGS, FL 32714

Title Asst. Secretary

Vincent, Haney
900 Hope Way
Altamonte Springs, FL 32714

Title Director

Edmister, Fred
17503 Drake Court
Lutz, FL 33559

Title Director

Johnson, Joe
7171 North Dale Mabry Highway
Tampa, FL 33613

Title Director

Phillpotts, Brian, MD
8604 Dolce Vito Lane
Odessa, FL 33556

Title Assistant Secretary

Foltz, Robert C
2600 Siena Drive
Bonita Springs, FL 34134

Title Assistant Secretary

Graff, Jeff
900 Hope Way
Altamonte Springs, FL 32714

Title Assistant Secretary

Rathbun, Paul
900 Hope Way
Altamonte Springs, FL 32714

Title Director, President

Quattlebaum, Ryan
2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

Title Assistant Secretary

Brady, Amanda
900 Hope Way
Altamonte Springs, FL 32714

Title Assistant Secretary

Huffman, David
900 Hope Way
Altamonte Springs, FL 32714

Title Director

Johnson, Todd
2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

Title Director

Jones, Davina
2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

Title Chairman

Wandersleben, Jennifer
2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

Title Director

McVay, DO, Brian
2600 Bruce B Downs Blvd
Wesley Chapel, FL 33544

Title Director

Murrill, Mike
2600 Bruce B Downs Blvd
Wesley Chapel, FL 33544

Annual Reports

Report Year	Filed Date
2024	04/23/2024

2025 01/10/2025
2025 04/29/2025

Document Images

04/29/2025 -- AMENDED ANNUAL REPORT	View image in PDF format
04/23/2025 -- Amendment	View image in PDF format
01/10/2025 -- ANNUAL REPORT	View image in PDF format
04/23/2024 -- ANNUAL REPORT	View image in PDF format
01/17/2023 -- ANNUAL REPORT	View image in PDF format
09/08/2022 -- AMENDED ANNUAL REPORT	View image in PDF format
04/26/2022 -- ANNUAL REPORT	View image in PDF format
04/26/2021 -- ANNUAL REPORT	View image in PDF format
06/24/2020 -- ANNUAL REPORT	View image in PDF format
05/12/2020 -- Reg. Agent Change	View image in PDF format
04/23/2019 -- ANNUAL REPORT	View image in PDF format
02/12/2018 -- ANNUAL REPORT	View image in PDF format
02/09/2017 -- ANNUAL REPORT	View image in PDF format
02/22/2016 -- ANNUAL REPORT	View image in PDF format
02/05/2015 -- AMENDED ANNUAL REPORT	View image in PDF format
02/03/2015 -- ANNUAL REPORT	View image in PDF format
12/01/2014 -- AMENDED ANNUAL REPORT	View image in PDF format
07/23/2014 -- Reg. Agent Change	View image in PDF format
02/18/2014 -- ANNUAL REPORT	View image in PDF format
02/13/2013 -- ANNUAL REPORT	View image in PDF format
12/10/2012 -- Merger	View image in PDF format
12/10/2012 -- Amended and Restated Articles	View image in PDF format
03/01/2012 -- ANNUAL REPORT	View image in PDF format
12/22/2011 -- Reg. Agent Change	View image in PDF format
01/28/2011 -- ANNUAL REPORT	View image in PDF format
03/19/2010 -- ANNUAL REPORT	View image in PDF format
01/26/2009 -- ANNUAL REPORT	View image in PDF format
01/22/2008 -- ANNUAL REPORT	View image in PDF format
08/20/2007 -- Amended and Restated Articles	View image in PDF format
02/01/2007 -- Domestic Non-Profit	View image in PDF format

[Previous on List](#) [Next on List](#) [Return to List](#)[Filing History](#)

Fictitious Name Search

Fictitious Name Detail

Fictitious Name

ADVENTHEALTH WESLEY CHAPEL

Filing Information

Registration Number G18000092674
Status ACTIVE
Filed Date 08/20/2018
Expiration Date 12/31/2028
Current Owners 1
County MULTIPLE
Total Pages 2
Events Filed 1
FEI/EIN Number NONE

Mailing Address

2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

Owner Information

PASCO-PINELLAS HILLSBOROUGH COMMUNITY HEALTH SYSTEM, IN
2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544
FEI/EIN Number: 20-8488713
Document Number: N07000001137

Document Images

[08/20/2018 -- Fictitious Name Filing](#)[07/28/2023 -- Fictitious Name Renewal Filing](#)

[Previous on List](#) [Next on List](#) [Return to List](#)[Filing History](#)

Fictitious Name Search

APPLICATION FOR RENEWAL OF FICTITIOUS NAME

REGISTRATION# G18000092674

Fictitious Name: ADVENTHEALTH WESLEY CHAPEL

FILED
Jul 28, 2023
Secretary of State
G23000088656

Current Mailing Address:

2600 BRUCE B. DOWNS BLVD.
WESLEY CHAPEL, FL 33544

New Mailing Address:

Current County of Principal Place of Business:

MULTIPLE

New County of Principal Place of Business:

Current FEI Number:

New FEI Number:

Current Owner(s):

Document #: N07000001137 () Delete
FEI #: 20-8488713
Name: PASCO-PINELLAS HILLSBOROUGH COMMUNITY HEALTH SYSTEM
Address: 2600 BRUCE B. DOWNS BLVD.
City-St-Zip: WESLEY CHAPEL, FL 33544

Additions/Changes to Owner(s):

Document #: () Change () Addition
FEI #:
Name:
Address:
City-St-Zip:

I the undersigned, being an owner in the above fictitious name, certify that the information indicated on this form is true and accurate. I understand that the electronic signature below shall have the same legal effect as if made under oath. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s. 817.155, Florida Statutes.

LYNN ADDISCOTT

07/28/2023

Electronic Signature(s)

Date

Certificate of Status Requested ()

Certified Copy Requested ()



COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Attachment 1

Copy of State of Florida EMS License

Attached Yes ☒ / No ☐



STATE OF FLORIDA
DEPARTMENT OF HEALTH
BUREAU OF EMERGENCY MEDICAL OVERSIGHT

ADVANCED LIFE SUPPORT SERVICE LICENSE

This is to certify that: ADVENTHEALTH WESLEY CHAPEL Provider Number #: 10006

Name of Provider

30000 COUNTY LINE ROAD, WESLEY CHAPEL, FLORIDA 33543

Address

has complied with Chapter 401, Florida Statutes, and Chapter 64J-1, Florida Administrative Code, and is authorized to operate as an Advanced Life Support Service subject to any and all limitations specified in the applicable Certificate(s) of Public Convenience and Necessity and/or Mutual Aid Agreements for the County(s) listed below:

HARDEE, HIGHLANDS, HILLSBOROUGH, MARION, PASCO, POLK

County(s)

Michael Hall, Section Administrator
Emergency Medical Services
Florida Department of Health

THIS CERTIFICATE EXPIRES ON: 06/04/2026

This certificate shall be posted in the above mentioned establishment



COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Attachment 2

Financial Information

Attached Yes ☒ / No ☐

**Audited
Combined
Financial
Statements and
Supplementary
Information**

December 31, 2022

**AdventHealth – Florida Division
Hospitals**

Table of Contents

Combined Financial Statements

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Combined Statement of Cash Flows	4
Notes to Combined Financial Statements	5

Supplementary Information

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Combining Statement of Revenue and Expenses	27

Report of Independent Auditors	29
---------------------------------------	----

Combined Balance Sheet

December 31, 2022

(dollars in thousands)

ASSETS

Current Assets

Cash and cash management deposits	\$ 4,235,314
Patient accounts receivable	660,823
Estimated settlements from third parties	312,037
Other receivables	732,481
Inventories	238,164
Prepaid expenses and other current assets	144,463

6,323,282

Property and Equipment

5,672,237

Operating Lease Assets

188,522

Other Assets

522,391

\$ 12,706,432

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued liabilities	\$ 712,312
Estimated settlements to third parties	121,849
Other current liabilities	519,287
Short-term financings	252,695
Current maturities of long-term debt	62,377

1,668,520

Long-Term Debt, net of current maturities

1,670,357

Operating Lease Liabilities, net of current portion

165,778

Other Noncurrent Liabilities

21,354

3,526,009

Net Assets

Net assets without donor restrictions	9,020,471
Net assets with donor restrictions	159,952

9,180,423

Commitments and Contingencies

\$ 12,706,432

AdventHealth – Florida
Division Hospitals

The accompanying notes are an integral part of these combined financial statements.

Combined Statement of Operations and Changes in Net Assets

*For the year ended
December 31, 2022*

(dollars in thousands)

Revenue	
Net patient service revenue	\$ 9,613,925
Other	169,869
Total operating revenue	<u>9,783,794</u>
Expenses	
Employee compensation	4,351,004
Supplies	1,625,019
Professional fees	1,146,262
Purchased services	483,538
Other	624,377
Interest	51,689
Depreciation and amortization	450,658
Total operating expenses	<u>8,732,547</u>
Income from Operations	1,051,247
Nonoperating Losses, Net	<u>(1,290,933)</u>
Deficiency of Revenue over Expenses and Losses	(239,686)
Other Changes in Net Assets Without Donor Restrictions	
Net assets released from restrictions for purchase of property and equipment	9,353
Transfers to affiliates, net	(156,002)
Other	3,474
Decrease in net assets without donor restrictions	<u>(382,861)</u>
Net Assets With Donor Restrictions	
Gifts and grants	21,586
Net assets released from restrictions for purchase of property and equipment or use in operations	(14,508)
Investment return	1,255
Other	(15,489)
Decrease in net assets with donor restrictions	<u>(7,156)</u>
Decrease in Net Assets	(390,017)
Net assets, beginning of year	<u>9,570,440</u>
Net assets, end of year	<u><u>\$ 9,180,423</u></u>

**AdventHealth – Florida
Division Hospitals**

The accompanying notes are an integral part of these combined financial statements.

Combined Statement of Cash Flows

For the year ended
December 31, 2022

(dollars in thousands)

Operating Activities

Decrease in net assets	\$ (390,017)
Depreciation and amortization – operating	450,658
Depreciation – nonoperating	(6,458)
Amortization of deferred financing costs and original issue discounts and premiums	(14,746)
Amortization of prepaid information technology services	40,857
Loss on disposal of property, equipment, and other assets	2,153
Restricted gifts and grants and investment return	(22,841)
Transfers to affiliates, net	156,002
Changes in operating assets and liabilities:	
Patient accounts receivable	(1,297,090)
Other receivables	111,445
Prepaid expenses and other current assets	(36,810)
Accounts payable and accrued liabilities	(32,648)
Estimated settlements to third parties, net	(36,752)
Other current liabilities	77,986
Other noncurrent assets and liabilities	(1,951)
Net cash used in operating activities	<u>(1,000,212)</u>

Investing Activities

Purchases of property and equipment, net	(557,953)
Return of capital from equity method investments	7,822
Cash receipts on sold patient accounts receivable	1,070,040
Increase in other assets	(106,341)
Net cash provided by investing activities	<u>413,568</u>

Financing Activities

Repayments of long-term borrowings	(277,370)
Additional long-term borrowings	178,048
Repayments of short-term borrowings	(24,375)
Transfers to affiliates, net	(156,002)
Restricted gifts and grants and investment return	22,841
Net cash used in financing activities	<u>(256,858)</u>

Decrease in Cash and Cash Management Deposits

Cash and cash management deposits at beginning of year	5,078,816
Cash and Cash Management Deposits at End of Year	<u>\$ 4,235,314</u>

Supplemental Disclosure of Significant Noncash Transactions

Beneficial interest obtained in exchange for patient accounts receivable	\$ (1,078,880)
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AdventHealth – Florida
Division Hospitals

The accompanying notes are an integral part of these combined financial statements.

Notes to Combined Financial Statements

For the year ended
December 31, 2022
(dollars in thousands)

**AdventHealth – Florida
Division Hospitals**

1. Significant Accounting Policies

Reporting Entity

AdventHealth – Florida Division Hospitals (Division) is a group of not-for-profit, general acute care hospitals exempt from state and federal income taxes except for any net unrelated business taxable income. These hospitals are located in the state of Florida and are controlled affiliates of Adventist Health System Sunbelt Healthcare Corporation d/b/a AdventHealth (Parent Corporation).

The Division includes the following hospitals:

Legal Name	d/b/a
Adventist Health System/Sunbelt Inc.	AdventHealth Orlando
AdventHealth Polk North, Inc.	AdventHealth Heart of Florida
AdventHealth Polk South, Inc.	AdventHealth Lake Wales
Memorial Health Systems Inc.	AdventHealth Daytona Beach
Memorial Hospital-West Volusia Inc.	AdventHealth DeLand
Southwest Volusia Healthcare Corporation	AdventHealth Fish Memorial
Memorial Hospital Flagler, Inc.	AdventHealth Palm Coast
Southeast Volusia Healthcare Corporation	AdventHealth New Smyrna Beach
Florida Hospital Waterman, Inc.	AdventHealth Waterman
University Community Hospital, Inc.	AdventHealth Tampa
University Community Hospital, Inc.	AdventHealth Carrollwood
University Community Hospital, Inc.	AdventHealth Connerton
Florida Hospital Dade City, Inc.	AdventHealth Dade City
Adventist Health System/Sunbelt Inc.	AdventHealth Sebring
Adventist Health System/Sunbelt Inc.	AdventHealth Wauchula
Tarpon Springs Hospital Foundation, Inc.	AdventHealth North Pinellas
Florida Hospital Ocala, Inc.	AdventHealth Ocala
Pasco-Pinellas Hillsborough Community Health System, Inc.	AdventHealth Wesley Chapel
Florida Hospital Zephyrhills, Inc.	AdventHealth Zephyrhills

All significant intercompany accounts and transactions have been eliminated in the combination.

The Parent Corporation is controlled by the Lake Union Conference of Seventh-day Adventists, the Mid-America Union Conference of Seventh-day Adventists, the Southern Union Conference of Seventh-day Adventists, and the Southwestern Union Conference of Seventh-day Adventists. The Parent Corporation owns and/or operates hospitals, nursing homes, physician offices, urgent care centers and other healthcare facilities, and a philanthropic foundation with various informal divisions (collectively referred to as the System).

SunSystem Development Corporation (Development) is a charitable foundation operated by the System for the benefit of the hospitals that are divisions or controlled affiliates. Parent Corporation is Development's member and appoints its board of managers. The Division includes each hospital's related foundation (Foundations). The Foundations operate as divisions of Development, and each has a service area community board of directors appointed or approved by the Parent Corporation and is involved in philanthropic activities for the respective hospital.

As the Foundations are financially interrelated with the respective hospitals, the accounts of the Foundations are included within the accompanying combined balance sheet, statement of operations and changes in net assets, and statement of cash flows of the Division.

Notes to Combined Financial Statements

For the year ended
December 31, 2022
(dollars in thousands)

AdventHealth – Florida
Division Hospitals

The Division provides a full range of inpatient and outpatient services as permitted by the licenses issued to the Division's hospitals from the state of Florida. Activities associated with the provision of healthcare services within the hospital setting are the major and central operations of the Division. Revenue and expenses arise from, and are recorded based upon, the Division's activities.

The Division also engages in activities and transactions that do not relate to the direct care of patients within the hospital setting and are therefore incidental or peripheral to the Division's major ongoing operations. Activities and transactions that are incidental or peripheral to the operations of the Division are recorded as nonoperating gains or losses.

Use of Estimates

The preparation of these combined financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Adopted Accounting Guidance

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the presentation and disclosure requirements for not-for-profit entities to increase transparency about contributed nonfinancial assets. The Division adopted the standard effective January 1, 2022 on a prospective basis. This standard did not have a material impact on the Division's accompanying combined financial statements.

Recent Accounting Guidance Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU requires earlier recognition of credit losses on financing receivables and other financial assets in scope. For trade receivables, loans, and held-to-maturity debt securities, entities will be required to estimate lifetime expected credit losses, resulting in earlier recognition of credit losses. For available-for-sale debt securities, entities will be required to recognize an allowance for credit losses rather than a reduction to the carrying value of the asset. In addition, entities will have to make more disclosures, including disclosures by year of origination for certain financing receivables. This ASU will be effective for the Division beginning in 2023. Management does not anticipate this guidance will have a material impact on the Division's combined financial statements.

Net Patient Service Revenue

The Division's patient acceptance policy is based on its charitable purposes and its mission statement, which is to improve and enhance the local communities it serves in harmony with Christ's healing ministry. Accordingly, the Division accepts patients in immediate need of care, regardless of their ability to pay. Net patient service revenue is reported at the amount that reflects the consideration the Division expects to be due from patients and third-party payors in exchange for providing patient care. Providing patient care services is considered a single performance obligation, satisfied over time, in both the inpatient and outpatient settings. Generally, the Division bills the patients and third-party payors several days after services are performed or when the patient is discharged from the facility.

Revenue for inpatient acute care services is recognized based on actual charges incurred in relation to total expected, or actual, charges. The Division measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

As all the Division's performance obligations relate to contracts with a duration of less than one year, the Division is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period, which are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

For patients covered by third-party payors, the Division determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to those third-party payors. The Division determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. The Division is subject to retroactive revenue adjustments due to future audits, reviews, and investigations. In addition, the contracts the Division has with commercial payors also provide for retroactive audit and review of claims. Settlements with third-party payors for retroactive adjustments are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor, and the Division's historical settlement activity, attempting to ensure that a significant revenue reversal will not occur when the final amounts are subsequently determined. Estimated settlements are adjusted in future periods as new information becomes available, or as years are settled or are no longer subject to such audits, reviews, and investigations. Net adjustments for prior-year cost reports and related valuation allowances, principally related to Medicare and Medicaid, resulted in increases to revenue of approximately \$54,000 for the year ended December 31, 2022.

Generally, patients covered by third-party payors are responsible for related deductibles and coinsurance, which is referred to as the patient portion. The Division also provides services to uninsured patients and offers those uninsured patients a discount from standard charges in accordance with its policies.

Consistent with the Division's mission, care is provided to patients regardless of their ability to pay. Therefore, the Division has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The difference between amounts billed to patients and the amounts expected to be collected based on the Division's collection history with those patients is recorded as implicit price concessions, or as a direct reduction to net patient service revenue. Subsequent adjustments that are determined to be the result of an adverse change in the patient's or payor's ability to pay are recognized as bad debt expense. Bad debt expense for the year ended December 31, 2022 was not material for the Division, and is included within other expenses in the accompanying combined statement of operations and changes in net assets, rather than as a deduction to arrive at revenue.

The Division estimates the transaction price for the patient portion and uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

The composition of net patient service revenue by primary payor for the year ended December 31, 2022 is as follows:

	Amount	%
Managed Care	\$ 5,094,477	53%
Medicare	1,470,902	15
Managed Medicare	1,726,946	18
Medicaid	269,970	3
Managed Medicaid	593,280	6
Self-pay	39,092	1
Other	419,258	4
	<u>\$ 9,613,925</u>	<u>100%</u>

Charity Care

The Division's patient acceptance policy is based on its mission statement and its charitable purposes and, as such, the Division accepts patients in immediate need of care, regardless of their ability to pay. Patients that qualify for charity care are provided services for which no payment is due for all or a portion of the patient's bill. Therefore, charity care is excluded from patient service revenue and the cost of providing such care is recognized within operating expenses.

The Division estimates the direct and indirect costs of providing charity care by applying a cost to gross charges ratio to the gross uncompensated charges associated with providing charity care to patients. The Division also receives certain funds to offset or subsidize charity care services provided. These funds are primarily received from uncompensated care programs sponsored by the state, whereby healthcare providers within the state pay into an uncompensated care fund and the pooled funds are then redistributed based on state-specific criteria.

The cost of providing charity care services, amounts paid by the Division into uncompensated care funds, and amounts received by the Division to offset or subsidize charity care services for the year ended December 31, 2022 are as follows:

Charity Care Cost

Cost of providing charity care services	<u>\$ 350,046</u>
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Charity Care Funding

Funds received to offset or subsidize charity care services (included in patient service revenue)	\$ 184,141
Funds paid into trusts (included in other expenses)	<u>(197,305)</u>
Net charity care funding paid	<u>\$ (13,164)</u>

Excess of Revenue over Expenses and Losses

The combined statement of operations and changes in net assets includes excess of revenue over expenses and losses as the performance indicator, which is analogous to net income of a for-profit enterprise. Changes in net assets without donor restrictions that are excluded from the performance indicator may include permanent transfers to and from affiliates, additions of hospitals to the Division, transfers of net assets released from restrictions for the purpose of acquiring long-lived assets, and other changes in net assets.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

**AdventHealth – Florida
Division Hospitals**

Nonoperating Losses, Net

Nonoperating losses, net, represent the net operations of activities or transactions incidental or peripheral to the direct care of patients within the hospital setting and primarily include investment return, certain physician practices, certain lab services, the activity of the Foundations, and home health services.

Contributed Resources

Resources restricted by donors for specific operating purposes or a specified time period are held as net assets with donor restrictions until expended for the intended purpose or until the specified time restrictions are met, at which time they are included within nonoperating losses, net. Resources restricted by donors for additions to property and equipment are held as net assets with donor restrictions until the assets are placed in service, at which time they are reported as transfers to net assets without donor restrictions. Gifts, grants, and bequests not restricted by donors are included in nonoperating losses, net.

Cash Equivalents

Cash equivalents represent all highly liquid investments, including certificates of deposit and commercial paper, with maturities not in excess of three months when purchased. Interest income on cash equivalents is reported within nonoperating losses, net in the accompanying combined statement of operations and changes in net assets. Cash equivalents are included in cash and cash management deposits in the accompanying combined balance sheet.

Sale of Patient Accounts Receivable

The System and certain of its member affiliates maintain a program for the continuous sale of certain patient accounts receivable to the Highlands County, Florida, Health Facilities Authority (Highlands) on a nonrecourse basis. Highlands has partially financed the purchase of the patient accounts receivable through the issuance of private placement, tax-exempt, variable-rate bonds (Bonds). Highlands had Bonds outstanding of \$200,000 as of December 31, 2022. The Bonds had an original put date of December 2022 and a final maturity date of November 2027. On February 1, 2022, the put date of the Bonds was extended to the final maturity date of November 2027. The System is the servicer of the receivables under this arrangement and is responsible for performing all accounts receivable administrative functions.

As of December 31, 2022, the estimated net realizable value, as defined in the underlying agreements, of patient accounts receivable sold by the System and removed from the accompanying combined balance sheet was \$818,366. The patient accounts receivable sold consist primarily of amounts due from government programs and commercial insurers. The allocated proceeds received by the Division from Highlands as of December 31, 2022 consist of \$200,000 in cash from the Bonds, a \$50,000 note on a subordinated basis with the Bonds, and a \$568,366 note on a parity basis with the Bonds. The note on a subordinated basis with the Bonds is in an amount to provide the required over-collateralization of the Bonds. The note on a parity basis with the Bonds is the excess of eligible accounts receivable sold over the sum of cash received and the subordinated note. These notes are included in other receivables in the accompanying combined balance sheet. Due to the nature of the patient accounts receivable sold, collectability of the subordinated and parity notes is not significantly impacted by credit risk.

The notes on a parity and subordinated basis represent the Division's allocated beneficial interest in the receivables subsequent to the sale. Cash received at the time of sale is recognized within the combined statement of cash flows as part of operating activities. Any subsequent cash received on the beneficial interest is recognized within the combined statement of cash flows as part of investing activities.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

Directed Payment Program

During 2021, the Division began participating in Florida's Directed Payment Program, which is designed to offset a portion of unreimbursed Medicaid cost. Under this program, participating providers pay an assessment to a Local Provider Participation Fund (LPPF), which is used to fund the non-federal share of supplemental Medicaid payments. During 2022, the Division recognized supplemental Medicaid payments totaling \$216,914, which are included in net patient service revenue in the accompanying combined statement of operations and changes in net assets. Additionally, for the year ended December 31, 2022, the Division paid the LPPF assessment totaling \$108,615 and recognized it as other operating expense within the accompanying combined statement of operations and changes in net assets. At December 31, 2022, the Division had a related receivable of \$216,914 and a related payable of \$20,348, which are recorded in other receivables and estimated settlements to third parties, respectively, in the combined balance sheet.

Inventories

Inventories (primarily pharmaceutical and medical supplies) are stated at the lower of cost or net realizable value using the first-in, first-out method of valuation.

Property and Equipment

Property and equipment are reported on the basis of cost, except for those assets donated, impaired, or acquired under a business combination, which are recorded at fair value. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is computed primarily utilizing the straight-line method over the expected useful lives of the assets. Amortization of capitalized leased assets is included in depreciation expense and allowances for depreciation.

Goodwill

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the business acquired. These amounts are included in other assets (noncurrent) in the accompanying combined balance sheet and are evaluated for impairment when there is an indicator of impairment.

Goodwill consists of the following as of December 31, 2022:

Goodwill	\$ 77,250
Less: accumulated amortization	<u>(23,151)</u>
Goodwill, net	<u>\$ 54,099</u>

Goodwill is amortized over a period of ten years. Amortization expense for goodwill was \$7,726 for the year ended December 31, 2022, and is included in depreciation and amortization in the accompanying combined statement of operations and changes in net assets.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

Deferred Financing Costs

Direct financing costs are included as a direct reduction to the carrying amount of the related debt liability and are deferred and amortized over the remaining lives of the financings using the effective interest method.

Bond Discounts and Premiums

Bonds payable, including related original issue discounts and/or premiums, are included in long-term debt. Discounts and premiums are being amortized over the life of the bonds using the effective interest method.

Income Taxes

The Division follows the Income Taxes Topic of the Accounting Standards Codification (ASC) (ASC 740), which prescribes the accounting for uncertainty in income tax positions recognized in financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. There were no material uncertain tax positions as of December 31, 2022.

2. Cash Management Deposits

The Division, along with other member affiliates of the System, participates in a cash management program managed by the Parent Corporation. This cash management program maintains separate accounts for each hospital in the Division and member affiliates at one central bank. Cash management deposits have the general characteristics of demand deposits in that the Division may deposit additional funds at any time and also, effectively, may withdraw funds at any time without prior notice or penalty, subject to limitations and controls established by the Parent Corporation. Certain deposits are federally insured in limited amounts. Amounts are transferred each day to or from a central investment pool maintained by the Parent Corporation. Cash management deposits approximated \$4,234,000 at December 31, 2022, and are included in cash and cash management deposits in the accompanying combined balance sheet.

The central investment pool invests in marketable debt and equity securities and other investments, such as hedge funds and exchange-traded and over-the-counter derivative instruments. Investments in debt and equity securities with readily determinable fair values are reported at fair value, based on quoted market prices, and are designated as trading securities by the Parent Corporation. Hedge funds are accounted for under the equity method, which approximates fair value as determined by the net asset value (NAV). See Note 11 for the allocation of investments in the central investment pool. Changes in unrealized gains and losses are included in the Parent Corporation's investment return and allocated to the participants in the central investment pool in the period they occur.

Investment return is included within nonoperating losses, net in the accompanying combined statement of operations and changes in net assets and includes the Division's allocated share of the central investment pool's return, which includes interest and dividend income, realized gains and losses, and certain unrealized gains and losses.

Total investment return from the central investment pool allocation amounted to \$(732,223) and consisted of the following for the year ended December 31, 2022:

Interest and dividend income	\$ 150,800
Net realized gains	(86,273)
Net change in unrealized gains and losses	(796,750)
	<u>\$ (732,223)</u>

**AdventHealth – Florida
Division Hospitals**

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

3. Property and Equipment

Property and equipment consisted of the following at December 31, 2022:

Land and improvements	\$ 733,252
Buildings and improvements	4,663,301
Equipment	<u>4,691,599</u>
	10,088,152
Less: allowances for depreciation	<u>(4,708,194)</u>
	5,379,958
Construction in progress	<u>292,279</u>
	<u>\$ 5,672,237</u>

Certain hospitals have entered into construction contracts or other commitments for which costs have been incurred and included in construction in progress. These and other committed projects will be financed through operations and proceeds of borrowings. The estimated costs to complete these projects approximated \$93,500 at December 31, 2022.

During periods of construction, interest costs are capitalized to the respective property accounts. Interest capitalized approximated \$5,300 for the year ended December 31, 2022.

The Division capitalizes the cost of acquired software for internal use. Any internal costs incurred in the process of developing and implementing software are expensed or capitalized, depending primarily on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Throughout 2022, the Parent Corporation implemented Epic, an electronic clinical billing system. The capitalized software costs associated with Epic are recorded in the Parent Corporation's consolidated financial statements. As the first locations went live with Epic in March 2022, the Parent Corporation began amortizing the project implementation costs, of which \$4,200 were allocated to the Division during the year ended December 31, 2022 and are included in depreciation expense. Capitalized software costs and accumulated amortization expense, which are included in property and equipment in the accompanying combined balance sheet, at December 31, 2022 were as follows:

Capitalized software costs	\$ 150,102
Less: accumulated amortization	<u>(137,360)</u>
Capitalized software costs, net	<u>\$ 12,742</u>

Estimated amortization expense related to capitalized software costs for the next five years and thereafter is as follows:

2023	\$ 5,000
2024	3,497
2025	643
2026	403
2027	384
Thereafter	2,815

Notes to Combined Financial Statements

For the year ended
December 31, 2022
(dollars in thousands)

4. Other Assets

Other assets consisted of the following at December 31, 2022:

Prepaid information technology services (Note 10)	\$ 302,954
Goodwill	54,099
Interest in net assets of unconsolidated foundations	59,114
Notes and other receivables	15,798
Other noncurrent assets	90,426
	<u>\$ 522,391</u>

5. Leases

The Division's leases primarily consist of real estate and medical equipment. The Division determines whether an arrangement is a lease at contract inception. Lease assets and lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the Division's leases do not provide an implicit rate of return, the Division uses a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments. Lease assets exclude lease incentives received.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from three months to twenty years. The exercise of such lease renewal options is at the Division's sole discretion. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Division will exercise that option. Certain leases also include options to purchase the leased asset. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Division does not separate lease and nonlease components, except for certain medical equipment leases. Leases with a lease term of 12 months or less at commencement are not recorded on the combined balance sheet. Lease expense for these arrangements is recognized on a straight-line basis over the lease term.

Operating and finance leases consist of the following as of December 31, 2022:

Operating Leases

Operating lease assets	<u>\$ 188,522</u>
Other current liabilities	\$ 32,823
Operating lease liabilities, net of current portion	165,778
Total operating lease liabilities	<u>\$ 198,601</u>

Finance Leases

Property and equipment	<u>\$ 4,023</u>
Current maturities of long-term debt	\$ 202
Long-term debt, net of current maturities	3,809
Total finance lease liabilities	<u>\$ 4,011</u>

Notes to Combined Financial Statements

For the year ended
December 31, 2022
(dollars in thousands)

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense for the year ended December 31, 2022 are as follows:

Operating lease expense	\$ 44,156
Variable lease expense	12,088
Short-term lease expense	8,589
Finance lease expense	
Amortization of lease assets	1,014
Interest on lease liabilities	369
Total lease expense	<u>\$ 66,216</u>

Lease term and discount rate as of December 31, 2022 are as follows:

Weighted-average remaining lease term:	
Operating leases	10.1 years
Finance leases	46.6 years
Weighted-average discount rate:	
Operating leases	2.1%
Finance leases	3.0%

The following table summarizes the maturity of lease liabilities under finance and operating leases for the next five years and thereafter, as of December 31, 2022:

	Operating Leases	Finance Leases	Total
2023	\$ 39,691	\$ 322	\$ 40,013
2024	31,147	315	31,462
2025	26,573	315	26,888
2026	23,996	315	24,311
2027	22,733	304	23,037
Thereafter	89,368	3,600	92,968
Total lease payments	233,508	5,171	<u>\$ 238,679</u>
Less: imputed interest	34,907	1,160	
Total lease liabilities	<u>\$ 198,601</u>	<u>\$ 4,011</u>	

Supplemental cash flow information related to leases for the year ended December 31, 2022 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 45,385
Operating cash flows from finance leases	369
Financing cash flows from finance leases	1,308

There were no lease assets obtained in exchange for new operating or finance lease liabilities during 2022.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

6. Debt Obligations

Long-term debt consisted of the following at December 31, 2022:

Fixed-rate hospital revenue bonds, interest rates from 2.15% to 5.00%, payable through 2051	\$ 1,615,428
Other notes payable	49
Finance leases payable	4,011
Unamortized original issue premium, net	123,542
Deferred financing costs	(10,296)
	<u>1,732,734</u>
Less: current maturities	<u>(62,377)</u>
	<u>\$ 1,670,357</u>

Master Trust Indenture

Long-term debt has been issued primarily on a tax-exempt basis. Certain hospitals within the Division and certain other affiliates controlled by the Parent Corporation comprise the AdventHealth Obligated Group (Obligated Group). The Obligated Group members are jointly and severally liable under a Master Trust Indenture (MTI) to make all payments required with respect to obligations under the MTI. Total obligations under the MTI were approximately \$3,508,000 at December 31, 2022. At December 31, 2022, the Obligated Group had total net assets of approximately \$12,791,000. The MTI requires certain covenants and reporting requirements to be met by the System and the Obligated Group. The obligations are secured under the MTI, which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings.

Allocation of Debt

Debt and the related proceeds are allocated to Obligated Group members based on capital funding needs and are subsequently managed under a pooled debt methodology. The debt is allocated in the same ratio of fixed-rate to variable-rate debt that exists for the Obligated Group's total obligations and interest expense is allocated using a weighted-average interest rate based on the total interest expense of the Obligated Group.

Variable-Rate Bonds and Sources of Liquidity

Certain variable-rate bonds, which totaled \$252,695 as of December 31, 2022 and are classified as short-term financings in the accompanying combined balance sheet, may be put to the Obligated Group at the option of the bondholder. The variable-rate bond indentures generally provide the Obligated Group the option to remarket the obligations at the then prevailing market rates for periods ranging from one day to the maturity dates. The obligations have been primarily marketed for seven-day periods during 2022, with annual interest rates ranging from 0.09% to 4.08%. Additionally, the Obligated Group paid fees, such as remarketing fees, on variable-rate bonds during 2022.

The Parent Corporation has various sources of liquidity, including a \$750,000 revolving credit agreement (Revolving Note) with a syndicate of banks and a \$500,000 commercial paper program (CP Program) issued by the Obligated Group. The Revolving Note, which expires in October 2027, is available for letters of credit, liquidity facilities, and general corporate needs, including working capital, capital expenditures, and acquisitions and has certain prime rate and SOFR-based pricing options. As of December 31, 2022, the Parent Corporation had \$100,000 outstanding under the Revolving Note, which was repaid in January 2023. At December 31, 2022, the Parent Corporation had approximately \$3,500 committed to letters of credit under the Revolving Note. The

Notes to Combined Financial Statements

*For the year ended
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(dollars in thousands)*

Obligated Group's CP Program allows for up to \$500,000 of taxable, commercial paper notes (CP Notes) to be issued for general corporate purposes at an interest rate to be determined at the time of issuance. As of December 31, 2022, the Obligated Group has \$152,721 outstanding under the CP Program with an interest rate of 4.68%.

2022 Debt Transactions

During the second quarter of 2022, the Obligated Group issued fixed-rate bonds with par amounts totaling \$335,007, final maturity dates ranging from 2029 to 2037, and stated interest rates ranging from 2.52% to 2.79%. The Obligated Group used \$296,007 of bond proceeds, along with other available funds, for repayment of fixed-rate and put bonds, which resulted in a gain on extinguishment of debt totaling \$15,217. The System used the remaining \$39,000 of bond proceeds to finance or refinance certain costs of the acquisition, construction, and equipping of certain facilities.

In connection with the System's partial sale of its Illinois subsidiaries, certain bonds were retired in 2022 and the related subsidiaries withdrew from the Obligated Group. As such, the Obligated Group drew \$152,721 under the CP Program. The Obligated Group used \$54,917 of CP Program proceeds for open market repurchases of fixed-rate bonds, \$36,090 for repayment of variable-rate bonds and deposited \$61,100 of CP Program proceeds, along with other available funds, into an irrevocable trust for the advance repayment of fixed-rate bonds and the related interest obligations through the respective call or put dates. These open market repurchases and advance payments resulted in an aggregate gain on extinguishment of debt totaling \$16,712.

In connection with the extinguishments noted above, the Division received net assets in the amount of \$17,398 from the Parent Corporation, which included deferred financing costs and original issue discounts and premiums related to the obligations that were extinguished. This amount is included in transfers to affiliates, net, in the accompanying statement of operations and changes in net assets.

Debt Maturities

The following represents the maturities of long-term debt, excluding finance leases disclosed in Note 5, for the next five years and the years thereafter:

2023	\$	62,377
2024		36,369
2025		78,043
2026		175,409
2027		45,326
Thereafter		1,217,953

Cash paid for interest, net of amounts capitalized, approximated \$67,000 during the year ended December 31, 2022.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
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7. Retirement Plans

Defined Contribution Plan

The Division participates with other Seventh-day Adventist healthcare entities in a defined contribution retirement plan (Plan) that covers substantially all full-time employees who are at least 18 years of age. The Plan is exempt from the Employee Retirement Income Security Act of 1974 (ERISA). The Plan provides, among other things, that the employer contribute 2.6% of wages, plus additional amounts for highly compensated employees. Additionally, the Plan provides that the employer match 50% of an employee's contributions up to 4% of the contributing employee's wages, resulting in a maximum available match of 2% of the contributing employee's wages each year. Contributions to the Plan are included in employee compensation in the accompanying combined statement of operations and changes in net assets in the amount of \$110,869 for the year ended December 31, 2022.

Defined Benefit Plan – Multiemployer Plan

Prior to January 1, 1992, certain of the hospitals within the Division, in addition to other entities within the System, participated in a multiemployer, noncontributory defined benefit retirement plan, the Seventh-day Adventist Hospital Retirement Plan Trust (Old Plan) administered by the General Conference of Seventh-day Adventists that is exempt from ERISA. The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

If an entity chooses to stop participating in the multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability.

During 1992, the Old Plan was suspended and the Plan was established. The participating hospitals within the Division, along with the other participants in the Old Plan, may be required to make future contributions to the Old Plan to fund any difference between the present value of the Old Plan benefits and the fair value of the Old Plan assets. Future funding amounts and the funding time periods have not been determined by the Old Plan administrators; however, management believes the impact of any such future decisions will not have a material adverse effect on the Division's combined financial statements.

The most recent available plan assets and benefit obligation data for the Old Plan is as of December 31, 2021 and is as follows:

Total plan assets	\$ 500,841
Actuarial present value of accumulated plan benefits	439,245
Funded status	114.0%

The participating hospitals within the Division did not make contributions to the Old Plan for the year ended December 31, 2022.

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

Defined Benefit Plan – Frozen Pension Plans

Certain of the Division's entities sponsored noncontributory, defined benefit pension plans (Pension Plans) that have been frozen such that no new benefits accrue. The following table sets forth the remaining combined projected and accumulated benefit obligations and the assets of the Pension Plans at December 31, 2022, the components of net periodic pension cost for the year then ended, and a reconciliation of the amounts recognized in the accompanying combined financial statements:

Accumulated benefit obligation, end of year	<u>\$ 101,229</u>
Change in projected benefit obligation:	
Projected benefit obligation, beginning of year	\$ 142,168
Interest cost	4,092
Benefits paid	(9,279)
Actuarial gains	<u>(35,752)</u>
Projected benefit obligation, end of year	101,229
Change in plan assets:	
Fair value of plan assets, beginning of year	129,967
Actual return on plan assets	(27,925)
Benefits paid	<u>(9,279)</u>
Fair value of plan assets, end of year	92,763
Deficiency of fair value of plan assets over projected benefit obligation, included in other noncurrent liabilities	<u>\$ (8,466)</u>

No plan assets are expected to be returned to the Division during the fiscal year ending December 31, 2023.

Included in net assets without donor restrictions at December 31, 2022 are unrecognized actuarial losses of \$16,068 which have not yet been recognized in net periodic pension cost.

Changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the year ended December 31, 2022 include:

Net actuarial gains	\$ 1,499
Amortization of net actuarial losses	138
Total decrease recognized in net assets without donor restrictions	<u>\$ 1,637</u>

The components of net periodic pension benefit for the year ended December 31, 2022 were as follows:

Interest cost	\$ 4,092
Expected return on plan assets	(6,328)
Recognized net actuarial losses	138
Net periodic pension benefit	<u>\$ (2,098)</u>

Notes to Combined Financial Statements

For the year ended
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The assumptions used to determine the benefit obligation and net periodic pension cost for the Pension Plans for the year ended December 31, 2022 are set forth below:

Used to determine projected benefit obligation	
Weighted-average discount rate	5.65%
Used to determine pension cost	
Weighted-average discount rate	2.95%
Weighted-average expected long-term rate of return on plan assets	5.00%

The Pension Plans' assets are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. The Pension Plans' assets are managed solely in the interest of the participants and their beneficiaries. Diversification is achieved by allocating funds to various asset classes and investment styles and by retaining multiple investment managers with complementary styles, philosophies, and approaches.

The expected long-term rate of return on the Pension Plans' assets is based on historical and projected rates of return for current and planned asset categories and the target allocation in the investment portfolio. As of December 31, 2022, the target investment allocation for the Pension Plans was 70% debt securities, 27% equity securities, and 3% alternative investments.

The following table presents the Pension Plans' financial instruments as of December 31, 2022, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 11:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 3,338	\$ 3,338	\$ —	\$ —
Debt securities				
U.S. government agencies and sponsored entities	26,523	—	26,523	—
Corporate bonds	37,312	—	37,312	—
Equity securities				
Domestic equities	2,986	2,986	—	—
Foreign equities	769	769	—	—
Exchange traded funds				
Domestic equity	14,476	14,476	—	—
Foreign equity	4,774	4,774	—	—
Alternative strategy mutual funds	2,585	2,585	—	—
Total plan assets	<u>\$ 92,763</u>	<u>\$ 28,928</u>	<u>\$ 63,835</u>	<u>\$ —</u>

The following represents the expected benefit plan payments for the next five years and the five years thereafter:

2023	\$ 7,050
2024	7,243
2025	7,440
2026	7,586
2027	7,768
2028-2032	39,094

AdventHealth – Florida
Division Hospitals

Notes to Combined Financial Statements

*For the year ended
December 31, 2022
(dollars in thousands)*

**AdventHealth – Florida
Division Hospitals**

8. General and Professional Liability Program

The Division participates in a self-insured revocable trust (Trust) that covers the System's subsidiaries and their respective employees for professional and general liability claims within a specified level (Self-Insured Retention). A Self-Insured Retention of \$15,000 was established for the year ended December 31, 2003 and was increased to \$20,000 effective April 1, 2020. Claims above the Self-Insured Retention are insured by claims-made coverage that is placed with Adhealth Limited (Adhealth), a Bermuda company. Adhealth has purchased reinsurance through commercial insurers for the excess limits of coverage.

The assets and liabilities related to the Trust are recorded in the Parent Corporation's consolidated financial statements and the costs are allocated to the Trust participants (Note 10).

9. Commitments and Contingencies

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. There is significant government activity within the healthcare industry with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Compliance with such laws and regulations can be subject to future review and interpretation, as well as regulatory actions unknown or unasserted at this time. Management assesses the probable outcome of unresolved litigation and investigations and records contingent liabilities reflecting estimated liability exposure.

In addition, certain of the Division's hospitals are involved in litigation and other regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the Division's combined financial statements, taken as a whole.

See Note 14 for discussion of the COVID-19 pandemic and contingencies related to this significant event.

10. Transactions with Related Organizations

Certain transactions are made with the Parent Corporation on a routine basis. These transactions are comprised of management fees (including fees for management and other services provided by the Parent Corporation), information technology services and centralized shared services, which are disclosed as corporate services in Note 13. Additionally, the Division records allocated amounts for medical malpractice, workers' compensation, and other fees (including legal fees, taxes, professional fees, etc., that are initially paid for by the Parent Corporation).

The Division also participates in a self-insured pool that covers the System's employees for health benefits (Health Insurance Pool). The assets and liabilities of the Health Insurance Pool are recorded in the Parent Corporation's consolidated financial statements and the costs, including related administrative fees, are allocated to the participants of the program.

Notes to Combined Financial Statements

*For the year ended
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(dollars in thousands)*

Allocated costs consist of the following for the year ended December 31, 2022:

Employee health insurance	\$ 401,690
Medical malpractice insurance	71,066
Brand and marketing services	30,552
Workers' compensation insurance	15,426
Other fees	100,999
	<u>\$ 619,733</u>

For the year ended December 31, 2022, the Division transferred \$95,043 to the Parent Corporation and \$60,959 to affiliates to assist in funding various operating and capital needs.

Receivables from and payables to related organizations are principally related to the Parent Corporation and other affiliated organizations. These amounts consist of the following at December 31, 2022:

Receivables from related organizations included in other receivables and other assets	\$ 13,000
Payables to related organizations included in other current liabilities	373,000

The Division pays professional fees to an affiliate for physician services related to physicians employed by the affiliate. Fees paid during 2022 approximated \$572,000 and are primarily included in nonoperating losses, net in the accompanying combined statement of operations and changes in net assets.

The Division has prepaid for certain information technology services to a related organization. The amount paid during 2022 was approximately \$95,000. The unamortized portion of the prepaid fees is included in other current assets and other assets (Note 4) in the accompanying combined balance sheet and will be amortized in future years.

11. Fair Value Measurements

The Division categorizes, for disclosure purposes, assets and liabilities measured at fair value, on a recurring basis, into a three-tier fair value hierarchy. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement, which should be determined based on assumptions that would be made by market participants.

For all investments measured at fair value, the hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Level inputs are defined as follows:

Level 1 – based on unadjusted quoted prices for identical assets or liabilities in an active market that the Division has the ability to access.

Level 2 – based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

Notes to Combined Financial Statements

For the year ended
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(dollars in thousands)

Level 3 – based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The Division has no financial assets or financial liabilities with significant Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The central investment pool has certain investments that are valued using NAV, such as hedge funds, as a practical expedient and are excluded from the three-tier hierarchy. These investments valued using NAV represent 20% of the central investment pool at December 31, 2022. The investments included within the following table are measured at fair value and represent the remaining 80% of the central investment pool at December 31, 2022.

Financial assets measured at fair value on a recurring basis within the central investment pool (Note 2) and allocated trustee-held funds at December 31, 2022 were measured based on inputs categorized as follows:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	4%	4%	—%	—%
Debt securities				
U.S. government agencies and sponsored entities	55	—	55	—
Foreign government agencies and sponsored entities	3	—	3	—
Corporate bonds	1	—	1	—
Mortgage backed	1	—	1	—
Other asset backed	1	—	1	—
Short-term investments	1	—	1	—
Domestic equity securities	1	1	—	—
Exchange traded and mutual funds				
Domestic equity	14	14	—	—
Foreign equity	6	6	—	—
Fixed income	13	13	—	—
Total	100%	38%	62%	—%

Within the central investment pool, the fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 financial assets were determined as follows:

Cash equivalents, U.S. and foreign government agencies and sponsored entities, corporate bonds, mortgage backed, other asset backed, and short-term investments – These Level 2 securities were valued through the use of third-party pricing services that use evaluated bid prices adjusted for specific bond characteristics and market sentiment.

Notes to Combined Financial Statements

*For the year ended
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(dollars in thousands)*

12. Liquidity and Available Resources

The Division's primary cash requirements are paying operating expenses, servicing debt, and capital expenditures related to the expansion and renovation of existing hospitals. Primary cash sources are cash flows from operating activities. In addition to the Division's cash flows from operations, the System has access to public and private debt markets and maintains a revolving credit agreement and commercial paper program, as described in Note 6.

The Division had 187 days cash on hand at December 31, 2022. As described in Note 14, the Division made early repayments of \$131,000 on the Medicare Accelerated Payments during 2022. Days cash on hand is calculated as cash and cash management deposits divided by daily operating and nonoperating expenses (excluding depreciation and amortization expense).

The Division's financial assets also consist of patient accounts receivable totaling \$660,823 and other receivables totaling \$732,481 as of December 31, 2022. Other receivables are primarily comprised of the notes associated with the Division's sale of patient accounts receivable, which is more fully described in Note 1. The Division's financial assets are available as its general expenditures, liabilities, and other obligations come due.

13. Functional Expenses

The Division's resources and activities are primarily related to providing healthcare services. Corporate services include certain administration, finance and accounting, human resources, legal, and other functions provided by the Parent Corporation.

Expenses by functional classification for the year ended December 31, 2022 consist of the following:

	Healthcare Services	Corporate Services	Total
Employee compensation	\$ 4,351,004	\$ —	\$ 4,351,004
Purchased services and professional fees	1,120,768	509,032	1,629,800
Supplies	1,625,019	—	1,625,019
Other	1,126,724	—	1,126,724
Total	<u>\$ 8,223,515</u>	<u>\$ 509,032</u>	<u>\$ 8,732,547</u>

14. Significant Events

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. Patient volumes and the related revenue for most services were significantly impacted beginning in mid-March 2020 through early May 2020 as various policies were implemented by federal, state and local governments such as suspension of elective procedures. Since that time, gradual improvement in volumes and related revenue has been experienced and as COVID-19 volumes surge, the Division monitors non-emergent procedures based on volumes, available staffing, and capacity. The Division has experienced repeated surges of COVID-19, which have required the cancellation or delay of elective and non-emergent procedures. The Division's response to the COVID-19 pandemic continues to require supplies utilized at a higher rate and purchased at elevated prices. Labor rates have increased, including elevated premium and contract labor costs and wage inflation resulting from workforce shortages. The COVID-19 pandemic's impact to the Division is driven by many factors, most of which are beyond the Division's

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control. As such, the ultimate impact to the Division and its financial condition is presently unknown.

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted on March 27, 2020. The CARES Act authorizes funding to hospitals and other healthcare providers through the Public Health and Social Services Emergency Fund (Provider Relief Fund). Grant payments from the Provider Relief Fund are intended to reimburse healthcare providers for healthcare related expenses and/or lost revenue attributable to the COVID-19 pandemic. The Division began receiving Provider Relief Funds in April 2020. During the year ended December 31, 2022, the Division recognized \$64,000 of Provider Relief Funds as other revenue in the accompanying combined statement of operations and changes in net assets.

The CARES Act provides for an expansion of the Medicare Accelerated and Advance Payment Program (Medicare Accelerated Payments), which allowed inpatient acute care hospitals to request accelerated payments of up to 100% of their Medicare payment amount for a six-month period. In 2020, the Division received approximately \$268,000 of Medicare Accelerated Payments. Consistent with the terms and conditions of the program, repayments began in April 2021. During 2022, the Division made early repayments of \$131,000 and the remaining balance was fully repaid as of December 31, 2022.

The CARES Act also allowed for deferred payment of the employer portion of certain payroll taxes between March 27, 2020 and December 31, 2020. In December 2022, the Division made a repayment of \$50,500. As of December 31, 2022, no amounts remained outstanding.

15. Subsequent Events

The Division evaluated events and transactions occurring subsequent to December 31, 2022 through March 10, 2023, the date the accompanying combined financial statements were available for issuance. During this period, there were no subsequent events, other than that discussed in Note 6, that required recognition in the accompanying combined financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure.

Supplementary Information

AdventHealth - Florida Division Hospitals

Combining Balance Sheet

December 31, 2022

	AdventHealth Orlando	AdventHealth Heart of Florida	AdventHealth Lake Wales	AdventHealth Daytona Beach	AdventHealth DeLand	AdventHealth Fish Memorial	AdventHealth Palm Coast	AdventHealth New Smyrna Beach	AdventHealth Waterman
<i>(dollars in thousands)</i>									
ASSETS									
Current Assets									
Cash and cash management deposits	\$ 2,677,664	\$ 100,218	\$ —	\$ 164,114	\$ 108,101	\$ 65,666	\$ 270,510	\$ 4,047	\$ 291,236
Patient accounts receivable	215,912	41,624	12,480	72,071	24,380	27,282	35,789	16,897	44,623
Estimated settlements from third parties	216,596	9,380	3,426	8,566	3,375	5,144	3,994	2,731	5,950
Other receivables	581,243	4	15	753	1,653	1,332	—	727	4,044
Inventories	137,880	7,129	1,847	10,410	2,545	3,959	3,424	3,148	5,551
Prepaid expenses and other current assets	65,130	8,942	2,295	9,706	2,649	2,914	3,149	1,705	6,742
	<u>3,894,425</u>	<u>167,297</u>	<u>20,063</u>	<u>265,620</u>	<u>142,703</u>	<u>106,297</u>	<u>316,866</u>	<u>29,255</u>	<u>358,146</u>
Property and Equipment	3,161,546	123,718	29,131	250,033	51,470	167,099	185,682	65,267	183,837
Operating Lease Assets	103,861	5,167	2,453	7,959	1,972	3,467	2,114	2,310	3,079
Other Assets	289,090	23,439	1,881	35,819	4,626	5,872	21,995	908	45,238
	<u>\$ 7,448,922</u>	<u>\$ 319,621</u>	<u>\$ 53,528</u>	<u>\$ 559,431</u>	<u>\$ 200,771</u>	<u>\$ 282,735</u>	<u>\$ 526,657</u>	<u>\$ 97,740</u>	<u>\$ 590,300</u>
LIABILITIES AND NET ASSETS									
Current Liabilities									
Accounts payable and accrued liabilities	\$ 369,732	\$ 29,454	\$ 6,196	\$ 40,751	\$ 21,427	\$ 17,227	\$ 28,236	\$ 8,528	\$ 26,238
Estimated settlements to third parties	85,087	460	225	2,319	990	2,138	2,158	1,536	3,882
Other current liabilities	246,024	12,739	8,307	14,952	10,574	7,921	12,526	6,361	18,664
Short-term financings	113,885	2,907	2,423	14,755	3,061	5,749	6,942	1,831	9,601
Current maturities of long-term debt	28,035	715	596	3,629	753	1,414	1,707	465	2,362
	<u>842,763</u>	<u>46,275</u>	<u>17,747</u>	<u>76,406</u>	<u>36,805</u>	<u>34,449</u>	<u>51,569</u>	<u>18,721</u>	<u>60,747</u>
Long-Term Debt, net of current maturities	751,095	19,173	15,977	97,309	20,191	37,914	45,783	12,130	63,317
Operating Lease Liability	94,740	5,027	2,531	6,527	1,509	2,655	1,578	1,677	2,429
Other Noncurrent Liabilities	11,675	—	—	169	105	—	59	1	115
	<u>1,700,273</u>	<u>70,475</u>	<u>36,255</u>	<u>180,411</u>	<u>58,610</u>	<u>75,018</u>	<u>98,989</u>	<u>32,529</u>	<u>126,608</u>
Net Assets									
Net assets without donor restrictions	5,650,080	249,146	17,273	373,374	141,544	206,546	427,399	65,211	425,805
Net assets with donor restrictions	98,569	—	—	5,646	617	1,171	269	—	37,887
	<u>5,748,649</u>	<u>249,146</u>	<u>17,273</u>	<u>379,020</u>	<u>142,161</u>	<u>207,717</u>	<u>427,668</u>	<u>65,211</u>	<u>463,692</u>
Commitments and Contingencies									
	<u>\$ 7,448,922</u>	<u>\$ 319,621</u>	<u>\$ 53,528</u>	<u>\$ 559,431</u>	<u>\$ 200,771</u>	<u>\$ 282,735</u>	<u>\$ 526,657</u>	<u>\$ 97,740</u>	<u>\$ 590,300</u>

AdventHealth Tampa	AdventHealth Carrollwood	AdventHealth Connerton	AdventHealth Dade City	AdventHealth Sebring	AdventHealth Wauchula	AdventHealth North Pinellas	AdventHealth Ocala	AdventHealth Wesley Chapel	AdventHealth Zephyrhills	Elimination & Combining Entries	Combined Total
\$ 351	\$ 88,525	\$ —	\$ 3,121	\$ 133,661	\$ 13,367	\$ —	\$ —	\$ 243,140	\$ 71,593	\$ —	\$ 4,235,314
26,709	10,755	10,356	13,117	7,198	5,237	20,880	51,599	16,194	7,720	—	660,823
26,624	3,469	—	168	7,095	1,872	254	12,487	252	654	—	312,037
63,458	17,253	8	331	19,216	—	135	379	28,702	14,422	(1,194)	732,481
21,837	3,303	230	2,499	4,647	75	4,443	11,767	7,536	5,934	—	238,164
13,315	3,291	594	1,395	3,564	889	2,535	8,572	4,246	2,830	—	144,463
152,294	126,596	11,188	20,631	175,381	21,440	28,247	84,804	300,070	103,153	(1,194)	6,323,282
586,129	166,887	36,601	23,819	78,884	20,619	85,062	202,629	184,181	69,643	—	5,672,237
21,550	2,445	536	4,166	5,139	174	2,050	6,255	15,184	1,653	(3,012)	188,522
30,415	11,768	892	1,360	10,884	—	6,073	6,298	19,577	6,256	—	522,391
\$ 790,388	\$ 307,696	\$ 49,217	\$ 49,976	\$ 270,288	\$ 42,233	\$ 121,432	\$ 299,986	\$ 519,012	\$ 180,705	\$ (4,206)	\$ 12,706,432
\$ 46,142	\$ 12,150	\$ 3,686	\$ 5,494	\$ 28,447	\$ 1,529	\$ 11,472	\$ 28,921	\$ 14,401	\$ 12,285	\$ (4)	\$ 712,312
6,311	2,212	202	748	3,229	1,741	1,011	3,144	3,019	1,437	—	121,849
47,872	8,829	2,423	6,598	14,689	26	43,123	39,231	17,309	2,994	(1,875)	519,287
37,220	6,687	2,454	1,221	7,242	—	5,836	11,269	13,565	6,047	—	252,695
9,155	1,644	603	300	1,781	—	1,616	2,779	3,336	1,487	—	62,377
146,700	31,522	9,368	14,361	55,388	3,296	63,058	85,344	51,630	24,250	(1,879)	1,668,520
245,479	44,094	16,182	8,055	47,755	3	42,242	74,317	89,461	39,880	—	1,670,357
18,458	1,810	445	3,971	3,304	232	1,417	5,097	13,516	1,175	(2,320)	165,778
6,775	1,244	56	—	59	1	1,095	—	—	—	—	21,354
417,412	78,670	26,051	26,387	106,506	3,532	107,812	164,758	154,607	65,305	(4,199)	3,526,009
366,117	226,610	23,166	23,589	163,187	37,914	9,921	135,227	363,312	115,057	(7)	9,020,471
6,859	2,416	—	—	595	787	3,699	1	1,093	343	—	159,952
372,976	229,026	23,166	23,589	163,782	38,701	13,620	135,228	364,405	115,400	(7)	9,180,423
\$ 790,388	\$ 307,696	\$ 49,217	\$ 49,976	\$ 270,288	\$ 42,233	\$ 121,432	\$ 299,986	\$ 519,012	\$ 180,705	\$ (4,206)	\$ 12,706,432

AdventHealth - Florida Division Hospitals
Combining Statement of Revenue and Expenses
Year ended December 31, 2022

	AdventHealth Orlando	AdventHealth Heart of Florida	AdventHealth Lake Wales	AdventHealth Daytona Beach	AdventHealth DeLand	AdventHealth Fish Memorial	AdventHealth Palm Coast	AdventHealth New Smyrna Beach	AdventHealth Waterman
<i>(dollars in thousands)</i>									
Revenue									
Net patient service revenue	\$ 5,278,978	\$ 247,545	\$ 76,982	\$ 492,328	\$ 185,135	\$ 225,400	\$ 252,137	\$ 145,406	\$ 330,454
Other	128,960	941	394	4,253	1,722	1,379	1,323	2,078	12,034
Total operating revenue	5,407,938	248,486	77,376	496,581	186,857	226,779	253,460	147,484	342,488
Expenses									
Employee compensation	2,342,917	95,792	41,687	234,051	93,325	108,199	112,970	73,674	166,297
Supplies	863,959	43,635	8,822	108,019	24,755	32,014	33,301	29,514	54,821
Professional fees	612,031	32,733	15,587	51,314	24,318	27,800	29,710	19,340	33,181
Purchased services	174,455	14,759	5,995	23,756	12,147	19,217	13,747	13,202	22,581
Other	380,950	14,479	5,918	23,548	9,206	11,467	9,700	7,362	26,103
Interest	22,008	628	580	3,200	662	1,244	298	427	2,078
Depreciation and amortization	236,702	11,277	3,685	21,855	5,414	11,273	9,535	4,798	17,694
Total operating expenses	4,633,022	213,303	82,274	465,743	169,827	211,214	209,261	148,317	322,755
Income (Loss) from Operations	774,916	35,183	(4,898)	30,838	17,030	15,565	44,199	(833)	19,733
Nonoperating Losses, Net	(771,744)	(26,386)	(2,573)	(63,577)	(26,530)	(20,422)	(69,942)	(7,515)	(72,729)
Excess (Deficiency) of Revenue and Gains over Expenses and Losses	\$ 3,172	\$ 8,797	\$ (7,471)	\$ (32,739)	\$ (9,500)	\$ (4,857)	\$ (25,743)	\$ (8,348)	\$ (52,996)

AdventHealth Tampa	AdventHealth Carrollwood	AdventHealth Connerston	AdventHealth Dade City	AdventHealth Sebring	AdventHealth Wauchula	AdventHealth North Pinellas	AdventHealth Ocala	AdventHealth Wesley Chapel	AdventHealth Zephyrhills	Elimination & Combining Entries	Combined Total
\$ 684,305	\$ 211,444	\$ 43,652	\$ 82,141	\$ 246,738	\$ 31,521	\$ 142,973	\$ 387,881	\$ 350,627	\$ 198,278	\$ —	\$ 9,613,925
16,918	1,590	115	460	1,538	319	587	3,102	1,642	1,012	(10,498)	169,869
701,223	213,034	43,767	82,601	248,276	31,840	143,560	390,983	352,269	199,290	(10,498)	9,783,794
304,840	89,353	31,203	41,835	124,080	13,008	73,873	174,317	131,587	97,996	—	4,351,004
142,537	41,567	4,438	11,647	36,712	1,579	22,629	72,950	57,577	34,543	—	1,625,019
83,433	21,548	4,680	9,454	46,453	5,599	20,860	55,466	29,446	23,309	—	1,146,262
57,723	20,821	4,035	8,186	10,838	2,891	19,145	31,837	22,498	15,236	(9,531)	483,538
47,502	10,981	1,890	3,356	13,711	2,316	8,137	24,025	15,851	8,834	(959)	624,377
8,050	1,442	533	265	1,540	19	2,034	2,504	2,932	1,245	—	51,689
48,630	13,779	1,735	3,351	9,287	2,059	5,723	19,844	16,410	7,607	—	450,658
692,715	199,491	48,514	78,094	242,621	27,471	152,401	380,943	276,301	188,770	(10,490)	8,732,547
8,508	13,543	(4,747)	4,507	5,655	4,369	(8,841)	10,040	75,968	10,520	(8)	1,051,247
(56,658)	(24,614)	(439)	(2,718)	(35,017)	(53)	(9,951)	(22,894)	(50,326)	(26,845)	—	(1,290,933)
\$ (48,150)	\$ (11,071)	\$ (5,186)	\$ 1,789	\$ (29,362)	\$ 4,316	\$ (18,792)	\$ (12,854)	\$ 25,642	\$ (16,325)	\$ (8)	\$ (239,686)

Report of Independent Auditors

The Board of Directors
Adventist Health System Sunbelt Healthcare Corporation
d/b/a AdventHealth

Opinion

We have audited the accompanying combined financial statements of AdventHealth – Florida Division Hospitals (the Division), which comprise the combined balance sheet as of December 31, 2022, and the related combined statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Division at December 31, 2022, and the combined results of its operations and changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Division and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Report of Independent Auditors

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying consolidating details and other supplementary information on pages 25 through 28 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst + Young LLP

Orlando, Florida
March 10, 2023

AdventHealth – Florida
Division Hospitals

**Audited
Combined
Financial
Statements and
Supplementary
Information**

December 31, 2023

**AdventHealth – Florida Division
Hospitals**

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Combined Balance Sheet

December 31, 2023

(dollars in thousands)

ASSETS

Current Assets

Cash and cash management deposits	\$ 5,376,512
Patient accounts receivable	751,261
Estimated settlements from third parties	447,872
Other receivables	964,816
Inventories	222,675
Prepaid expenses and other current assets	115,185
	<u>7,878,321</u>

Property and Equipment 5,680,322

Operating Lease Assets 250,394

Other Assets 541,915
\$ 14,350,952

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued liabilities	\$ 776,755
Estimated settlements to third parties	146,695
Other current liabilities	591,339
Short-term financings	236,082
Current maturities of long-term debt	35,818
	<u>1,786,689</u>

Long-Term Debt, net of current maturities 1,704,983

Operating Lease Liabilities, net of current portion 245,966

Other Noncurrent Liabilities 24,766
3,762,404

Net Assets

Net assets without donor restrictions	10,420,203
Net assets with donor restrictions	168,345
	<u>10,588,548</u>

Commitments and Contingencies
\$ 14,350,952

AdventHealth – Florida
Division Hospitals

The accompanying notes are an integral part of these combined financial statements.

Combined Statement of Operations and Changes in Net Assets

*For the year ended
December 31, 2023*

(dollars in thousands)

Revenue	
Net patient service revenue	\$ 11,133,423
Other	<u>164,827</u>
Total operating revenue	11,298,250
Expenses	
Employee compensation	4,390,444
Supplies	1,831,534
Purchased Services	576,404
Professional fees	1,145,701
Other	798,151
Interest	59,016
Depreciation and amortization	<u>460,045</u>
Total operating expenses	<u>9,261,295</u>
Income from Operations	2,036,955
Nonoperating Losses, Net	<u>(371,494)</u>
Excess of Revenue over Expenses and Losses	1,665,461
Other Changes in Net Assets Without Donor Restrictions	
Net assets released from restrictions for purchase of property and equipment	4,556
Transfers to affiliates, net	(267,516)
Other	<u>(1,532)</u>
Increase in net assets without donor restrictions	1,400,969
Net Assets With Donor Restrictions	
Gifts and grants	14,426
Net assets released from restrictions for purchase of property and equipment or use in operations	(12,223)
Investment return	1,387
Other	<u>3,566</u>
Increase in net assets with donor restrictions	<u>7,156</u>
Increase in Net Assets	1,408,125
Net assets, beginning of year	<u>9,180,423</u>
Net assets, end of year	<u><u>\$ 10,588,548</u></u>

**AdventHealth – Florida
Division Hospitals**

The accompanying notes are an integral part of these combined financial statements.

Combined Statement of Cash Flows

For the year ended
December 31, 2023

(dollars in thousands)

Operating Activities

Increase in net assets	\$ 1,408,125
Depreciation and amortization – operating	460,045
Depreciation – nonoperating	8,638
Amortization of deferred financing costs and original issue discounts and premiums	(13,811)
Amortization of prepaid information technology services	49,725
Gain on extinguishment of debt	(43)
Gain on disposal of property, equipment and other assets	(9,091)
Reclass of restricted gifts and grants and investment return	(15,813)
Transfers to affiliates, net	267,516
Changes in operating assets and liabilities:	
Patient accounts receivable	(1,319,679)
Other receivables	(244,928)
Prepaid expenses and other current assets	44,767
Accounts payable and accrued liabilities	51,478
Estimated settlements to third parties, net	(110,989)
Other current liabilities	72,052
Other noncurrent assets	40,649
Other noncurrent liabilities	(18,949)
Net cash provided by operating activities	669,692

Investing Activities

Purchases of property and equipment	(508,466)
Proceeds from sale of property and equipment	62,347
Cash receipts on sold patient accounts receivable	1,241,834
Increase in other assets	(77,814)
Net cash provided by investing activities	717,901

Financing Activities

Repayments of long-term borrowings	(67,004)
Proceeds from issuance of long-term borrowings	76,387
Repayments of short-term borrowings	(4,241)
Proceeds from issuance of short-term borrowings	1,003
Transfers to affiliates, net	(267,516)
Payment of deferred financing costs	(837)
Restricted gifts and grants and investment return	15,813
Net cash used in financing activities	(246,395)

Increase in Cash and Cash Management Deposits

Cash and cash management deposits at beginning of year	4,235,314
Cash and Cash Management Deposits at End of Year	\$ 5,376,512

Supplemental Disclosure of Significant Noncash Transactions

Beneficial interest obtained in exchange for patient accounts receivable	\$ (1,229,241)
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AdventHealth – Florida
Division Hospitals

The accompanying notes are an integral part of these combined financial statements.

Notes to Combined Financial Statements

For the year ended
December 31, 2023
(dollars in thousands)

1. Significant Accounting Policies

Reporting Entity

AdventHealth – Florida Division Hospitals (Division) is a group of not-for-profit, general acute care hospitals exempt from state and federal income taxes except for any net unrelated business taxable income. These hospitals are located in the state of Florida and are controlled affiliates of Adventist Health System Sunbelt Healthcare Corporation d/b/a AdventHealth (Parent Corporation).

The Division includes the following hospitals:

Legal Name	d/b/a
Adventist Health System/Sunbelt Inc.	AdventHealth Orlando
AdventHealth Polk North, Inc.	AdventHealth Heart of Florida
AdventHealth Polk South, Inc.	AdventHealth Lake Wales
Memorial Health Systems Inc.	AdventHealth Daytona Beach
Memorial Hospital-West Volusia Inc.	AdventHealth DeLand
Southwest Volusia Healthcare Corporation	AdventHealth Fish Memorial
Memorial Hospital Flagler, Inc.	AdventHealth Palm Coast
AdventHealth Palm Coast Parkway, Inc.	AdventHealth Palm Coast Parkway
Southeast Volusia Healthcare Corporation	AdventHealth New Smyrna Beach
Florida Hospital Waterman, Inc.	AdventHealth Waterman
University Community Hospital, Inc.	AdventHealth Tampa
University Community Hospital, Inc.	AdventHealth Carrollwood
University Community Hospital, Inc.	AdventHealth Connerton
Florida Hospital Dade City, Inc.	AdventHealth Dade City
Adventist Health System/Sunbelt Inc.	AdventHealth Sebring
Adventist Health System/Sunbelt Inc.	AdventHealth Wauchula
Tarpon Springs Hospital Foundation, Inc.	AdventHealth North Pinellas
Florida Hospital Ocala, Inc.	AdventHealth Ocala
Pasco-Pinellas Hillsborough Community Health System, Inc.	AdventHealth Wesley Chapel
Florida Hospital Zephyrhills, Inc.	AdventHealth Zephyrhills

All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

The Parent Corporation is controlled by the Lake Union Conference of Seventh-day Adventists, the Mid-America Union Conference of Seventh-day Adventists, the Southern Union Conference of Seventh-day Adventists, and the Southwestern Union Conference of Seventh-day Adventists. The Parent Corporation owns and/or operates hospitals, physician offices, urgent care centers and other healthcare facilities, and a philanthropic foundation with various informal divisions (collectively referred to as the System).

AdventHealth Foundation, Inc. (AdventHealth Foundation) is a charitable foundation operated by the System for the benefit of the hospitals that are divisions or controlled affiliates. Parent Corporation is AdventHealth Foundation's member and appoints its board of managers. The Division includes each hospital's related foundation (Foundations). The Foundations operate as divisions of AdventHealth Foundation, and each has a service area community board of directors appointed or approved by the Parent Corporation and is involved in philanthropic activities for the respective hospital.

As the Foundations are financially interrelated with the respective hospitals, the accounts of the Foundations are included within the accompanying combined balance sheet, statement of operations and changes in net assets, and statement of cash flows of the Division.

Notes to Combined Financial Statements

For the year ended
December 31, 2023
(dollars in thousands)

AdventHealth – Florida
Division Hospitals

The Division provides a full range of inpatient and outpatient services as permitted by the licenses issued to the Division's hospitals from the state of Florida. Activities associated with the provision of healthcare services within the hospital setting are the major and central operations of the Division. Revenue and expenses arise from, and are recorded based upon, the Division's activities.

The Division also engages in activities and transactions that do not relate to the direct care of patients within the hospital setting and are therefore incidental or peripheral to the Division's major ongoing operations. Activities and transactions that are incidental or peripheral to the operations of the Division are recorded as nonoperating gains or losses.

Use of Estimates

The preparation of these combined financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Adopted Accounting Guidance

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU requires earlier recognition of credit losses on financing receivables and other financial assets in scope. For trade receivables, loans and held-to-maturity debt securities, entities will be required to estimate lifetime expected credit losses, resulting in earlier recognition of credit losses. For available-for-sale debt securities, entities will be required to recognize an allowance for credit losses rather than a reduction to the carrying value of the asset. In addition, entities will have to make more disclosures, including disclosures by year of origination for certain financing receivables. The Division adopted the standard effective January 1, 2023, using a modified-retrospective approach. This standard did not have a material impact on the Division's accompanying combined financial statements.

Recent Accounting Guidance Not Yet Adopted

In March 2023, the FASB issued ASU No. 2023-01, *Leases (Topic 842): Common Control Arrangements*. This ASU requires that leasehold improvements associated with arrangements between entities under common control, which are determined to be leases, be amortized by the lessee over the useful life of the leasehold improvements to the common control group as long as the lessee controls the use of the underlying asset through a lease. In addition, entities will be required to account for leasehold improvements associated with common control leases as a transfer through an adjustment to net assets when the lessee no longer controls the use of the underlying asset. This ASU will be effective for the Division beginning in 2024. Management does not anticipate this guidance will have a material impact to the Division's combined financial statements.

Net Patient Service Revenue

The Division's patient acceptance policy is based on its charitable purposes and its mission statement, which is to improve and enhance the local communities it serves in harmony with Christ's healing ministry. Accordingly, the Division accepts patients in immediate need of care, regardless of their ability to pay. Net patient service revenue is reported at the amount that reflects the consideration the Division expects to be due from patients and third-party payors in exchange for providing patient care. Providing patient care services is considered a single performance obligation, satisfied over time, in both the inpatient and outpatient settings. Generally, the Division bills the patients and third-party payors several days after services are performed or when the patient is discharged from the facility.

Notes to Combined Financial Statements

*For the year ended
December 31, 2023
(dollars in thousands)*

Revenue for inpatient acute care services is recognized based on actual charges incurred in relation to total expected, or actual, charges. The Division measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

As all the Division's performance obligations relate to contracts with a duration of less than one year, the Division is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period, which are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

For patients covered by third-party payors, the Division determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to those third-party payors. The Division determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. The Division is subject to retroactive revenue adjustments due to future audits, reviews, and investigations. In addition, the contracts the Division has with commercial payors also provide for retroactive audit and review of claims. Settlements with third-party payors for retroactive adjustments are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor, and the Division's historical settlement activity, attempting to ensure that a significant revenue reversal will not occur when the final amounts are subsequently determined. Estimated settlements are adjusted in future periods as new information becomes available, or as years are settled or are no longer subject to such audits, reviews, and investigations. Net adjustments for prior-year cost reports and related valuation allowances, principally related to Medicare and Medicaid, resulted in increases to revenue of approximately \$61,000 for the year ended December 31, 2023.

Generally, patients covered by third-party payors are responsible for related deductibles and coinsurance, which is referred to as the patient portion. The Division also provides services to uninsured patients and offers those uninsured patients a discount from standard charges in accordance with its policies.

Consistent with the Division's mission, care is provided to patients regardless of their ability to pay. Therefore, the Division has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The difference between amounts billed to patients and the amounts expected to be collected based on the Division's collection history with those patients is recorded as implicit price concessions, or as a direct reduction to net patient service revenue. Subsequent adjustments that are determined to be the result of an adverse change in the patient's or payor's ability to pay are recognized as bad debt expense. Bad debt expense for the year ended December 31, 2023 was not material for the Division, and is included within other expenses in the accompanying combined statement of operations and changes in net assets, rather than as a deduction to arrive at revenue.

Notes to Combined Financial Statements

*For the year ended
December 31, 2023
(dollars in thousands)*

The Division estimates the transaction price for the patient portion and uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

The composition of net patient service revenue by primary payor for the year ended December 31, 2023 is as follows:

	Amount	%
Managed Care	\$ 6,076,405	54%
Medicare	1,538,825	14
Managed Medicare	2,099,882	19
Medicaid	252,020	2
Managed Medicaid	667,476	6
Self-pay	31,439	1
Other	467,376	4
	<u>\$ 11,133,423</u>	<u>100%</u>

Charity Care

The Division's patient acceptance policy is based on its mission statement and its charitable purposes and, as such, the Division accepts patients in immediate need of care, regardless of their ability to pay. Patients who qualify for charity care are provided services for which no payment is due for all or a portion of the patient's bill. Therefore, charity care is excluded from patient service revenue and the cost of providing such care is recognized within operating expenses.

The cost of charity care is calculated by applying a cost to gross charges ratio to uncompensated charges associated with providing charity care to patients and totaled \$369,995 for the year ended December 31, 2023. The Division also receives certain funds to offset or subsidize charity care services provided. These funds are primarily received from various state sponsored programs. Funds received to offset or subsidize charity care services (included in net patient service revenue) were \$144,656 for the year ended December 31, 2023.

Excess of Revenue Over Expenses and Losses

The combined statement of operations and changes in net assets includes excess of revenue over expenses and losses as the performance indicator, which is analogous to net income of a for-profit enterprise. Changes in net assets without donor restrictions that are excluded from the performance indicator may include permanent transfers to and from affiliates, additions of hospitals to the Division, transfers of net assets released from restrictions for the purpose of acquiring long-lived assets, and other changes in net assets.

Nonoperating Losses, Net

Nonoperating losses, net, represent the net operations of activities or transactions incidental or peripheral to the direct care of patients within the hospital setting and primarily include investment return, certain physician practices, certain lab services, the activity of the Foundations, and home health services.

Contributed Resources

Resources restricted by donors for specific operating purposes or a specified time period are held as net assets with donor restrictions until expended for the intended purpose or until the specified time restrictions are met, at which time they are included within nonoperating losses, net. Resources restricted by donors for additions to property and equipment are held as net assets with donor restrictions until the assets are placed in service, at which time they are reported as transfers to net assets without donor restrictions.

Notes to Combined Financial Statements

*For the year ended
December 31, 2023
(dollars in thousands)*

**AdventHealth – Florida
Division Hospitals**

Gifts, grants, and bequests not restricted by donors are included in nonoperating losses, net.

Cash Equivalents

Cash equivalents represent all highly liquid investments, including certificates of deposit and commercial paper, with maturities not in excess of three months when purchased. Interest income on cash equivalents is reported within nonoperating losses, net in the accompanying combined statement of operations and changes in net assets. Cash equivalents are included in cash and cash management deposits in the accompanying combined balance sheet.

Sale of Patient Accounts Receivable

The System and certain of its member affiliates maintain a program for the continuous sale of certain patient accounts receivable to the Highlands County, Florida, Health Facilities Authority (Highlands) on a nonrecourse basis. Highlands has partially financed the purchase of the patient accounts receivable through the issuance of private placement, tax-exempt, variable-rate bonds (Bonds). Highlands had Bonds outstanding of \$200,000 as of December 31, 2023. The Bonds had an original put date of December 2022 and a final maturity date of November 2027. On February 1, 2022, the put date of the Bonds was extended to the final maturity date of November 2027. The System is the servicer of the receivables under this arrangement and is responsible for performing all accounts receivable administrative functions.

As of December 31, 2023, the estimated net realizable value, as defined in the underlying agreements, of patient accounts receivable sold by the System and removed from the accompanying combined balance sheet was \$805,773. The patient accounts receivable sold consist primarily of amounts due from government programs and commercial insurers. The allocated proceeds received by the Division from Highlands as of December 31, 2023 consist of \$200,000 in cash from the Bonds, a \$50,000 note on a subordinated basis with the Bonds and a \$555,773 note on a parity basis with the Bonds. The note on a subordinated basis with the Bonds is in an amount to provide the required over-collateralization of the Bonds. The note on a parity basis with the Bonds is the excess of eligible accounts receivable sold over the sum of cash received and the subordinated note. These notes are included in other receivables in the accompanying combined balance sheet. Due to the nature of the patient accounts receivable sold, collectability of the subordinated and parity notes is not significantly impacted by credit risk.

The notes on a parity and subordinated basis represent the Division's allocated beneficial interest in the receivables subsequent to the sale. Cash received at the time of sale is recognized within the combined statement of cash flows as part of operating activities. Any subsequent cash received on the beneficial interest is recognized within the combined statement of cash flows as part of investing activities.

Directed Payment Program

During 2021, the Division began participating in Florida's Directed Payment Program, which is designed to offset a portion of unreimbursed Medicaid cost. Under this program, participating providers pay an assessment to a Local Provider Participation Fund (LPPF), which is used to fund the non-federal share of supplemental Medicaid payments. During 2023, the Division recognized supplemental Medicaid payments totaling \$280,334, which are included in net patient service revenue in the accompanying combined statement of operations and changes in net assets. Additionally, for the year ended December 31, 2023, the Division paid the LPPF assessment totaling \$207,122 and recognized it as other operating expense within the accompanying combined statement of operations and changes in net assets. At December 31, 2023, the Division had a related receivable of

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\$301,839 and a related payable of \$35,358, which are recorded in other receivables and estimated settlements to third parties, respectively, in the combined balance sheet.

Inventories

Inventories (primarily pharmaceuticals and medical supplies) are stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) method of valuation, or a methodology that closely approximates FIFO.

Property and Equipment

Property and equipment are reported on the basis of cost, except for those assets donated, impaired, or acquired under a business combination, which are recorded at fair value. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is computed primarily utilizing the straight-line method over the expected useful lives of the assets. Amortization of capitalized leased assets is included in depreciation expense and allowances for depreciation.

Goodwill

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the business acquired. These amounts are included in other assets (noncurrent) in the accompanying combined balance sheet and are evaluated for impairment when there is an indicator of impairment.

Goodwill consists of the following as of December 31, 2023:

Goodwill	\$ 77,250
Less: accumulated amortization	(30,876)
Goodwill, net	<u>\$ 46,374</u>

Goodwill is amortized over a period of ten years. Amortization expense for goodwill was \$7,725 for the year ended December 31, 2023, and is included in depreciation and amortization in the accompanying combined statement of operations and changes in net assets.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value.

Deferred Financing Costs

Direct financing costs are included as a direct reduction to the carrying amount of the related debt liability and are deferred and amortized over the remaining lives of the financings using the effective interest method.

Bond Discounts and Premiums

Bonds payable, including related original issue discounts and/or premiums, are included in long-term debt. Discounts and premiums are being amortized over the life of the bonds using the effective interest method.

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Income Taxes

The Division follows the Income Taxes Topic of the Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), which prescribes the accounting for uncertainty in income tax positions recognized in financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. There were no material uncertain tax positions as of December 31, 2023.

2. Cash Management Deposits

The Division, along with other member affiliates of the System, participates in a cash management program managed by the Parent Corporation. This cash management program maintains separate accounts for each hospital in the Division and member affiliates at one central bank. Cash management deposits have the general characteristics of demand deposits in that the Division may deposit additional funds at any time and also, effectively, may withdraw funds at any time without prior notice or penalty, subject to limitations and controls established by the Parent Corporation. Certain deposits are federally insured in limited amounts. Amounts are transferred each day to or from a central investment pool maintained by the Parent Corporation. Cash management deposits approximated \$5,272,000 at December 31, 2023, and are included in cash and cash management deposits in the accompanying combined balance sheet.

The central investment pool invests in marketable debt and equity securities and other investments, such as hedge funds and exchange-traded and over-the-counter derivative instruments. Investments in debt and equity securities with readily determinable fair values are reported at fair value, based on quoted market prices, and are designated as trading securities by the Parent Corporation. Other investments include alternative investments, such as hedge funds, commingled funds, and private market funds, which determine fair value using net asset values (NAV). See Note 11 for the allocation of investments in the central investment pool. Changes in unrealized gains and losses are included in the Parent Corporation's investment return and allocated to the participants in the central investment pool in the period they occur.

Investment return is included within nonoperating losses, net in the accompanying combined statement of operations and changes in net assets and includes the Division's allocated share of the central investment pool's return, which includes interest and dividend income, realized gains and losses, and certain unrealized gains and losses.

Total investment return from the central investment pool allocation amounted to \$341,804 and consisted of the following for the year ended December 31, 2023:

Interest and dividend income	\$ 106,504
Net realized losses	(56,671)
Net change in unrealized gains and losses	291,971
	<u>\$ 341,804</u>

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3. Property and Equipment

Property and equipment consisted of the following at December 31, 2023:

Land and improvements	\$ 720,080
Buildings and improvements	4,819,743
Equipment	<u>5,079,254</u>
	10,619,077
Less: accumulated depreciation	<u>(5,168,134)</u>
	5,450,943
Construction in progress	<u>229,379</u>
	<u>\$ 5,680,322</u>

Certain hospitals have entered into construction contracts or other commitments for which costs have been incurred and included in construction in progress. These and other committed projects will be financed through operations and proceeds of borrowings. The estimated costs to complete these projects approximated \$288,000 at December 31, 2023.

During periods of construction, interest costs are capitalized to the respective property accounts. Interest capitalized approximated \$2,600 for the year ended December 31, 2023.

The Division capitalizes the cost of acquired software for internal use. Any internal costs incurred in the process of developing and implementing software are expensed or capitalized, depending primarily on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Throughout 2022 and 2023, the Parent Corporation implemented Epic, an electronic clinical and billing system. The capitalized software costs associated with Epic are recorded in the Parent Corporation's consolidated financial statements. As the first locations went live with Epic in March 2022, the Parent Corporation began amortizing the project implementation costs, \$10,800 of which were allocated to the Division during the year ended December 31, 2023, and are included in depreciation and amortization expense. Capitalized software costs and accumulated amortization expense, which are included in property and equipment in the accompanying combined balance sheet, at December 31, 2023 were as follows:

Capitalized software costs	\$ 150,738
Less: accumulated amortization	<u>(142,288)</u>
Capitalized software costs, net	<u>\$ 8,450</u>

Estimated amortization expense related to capitalized software costs for the next five years and thereafter is as follows:

2024	\$ 3,743
2025	893
2026	573
2027	406
2028	385
Thereafter	2,450

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4. Other Assets

Other assets consisted of the following at December 31, 2023:

Prepaid information technology services (Note 10)	\$ 298,325
Goodwill	46,374
Interest in net assets of unconsolidated foundations	62,534
Notes and other receivables	21,048
Other noncurrent assets	113,634
	<u>\$ 541,915</u>

5. Leases

The Division's leases primarily consist of real estate and medical equipment. The Division determines whether an arrangement is a lease at contract inception. Lease assets and lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the Division's leases do not provide an implicit rate of return, the Division uses a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments. Lease assets exclude lease incentives received.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from three months to thirty years. The exercise of such lease renewal options is at the Division's sole discretion. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Division will exercise that option. Certain leases also include options to purchase the leased asset. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Division does not separate lease and nonlease components, except for certain medical equipment leases. Leases with a lease term of 12 months or less at commencement are not recorded on the combined balance sheet. Lease expense for these arrangements is recognized on a straight-line basis over the lease term.

Operating and finance leases consist of the following as of December 31, 2023:

Operating Leases

Operating lease assets	<u>\$ 250,394</u>
Other current liabilities	\$ 32,706
Operating lease liabilities, net of current portion	245,966
Total operating lease liabilities	<u>\$ 278,672</u>

Finance Leases

Property and equipment	<u>\$ 14,096</u>
Current maturities of long-term debt	\$ 1,230
Long-term debt, net of current maturities	9,855
Total finance lease liabilities	<u>\$ 11,085</u>

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Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense for the year ended December 31, 2023 are as follows:

Operating lease expense	\$ 40,548
Variable lease expense	15,782
Short-term lease expense	13,899
Finance lease expense	
Amortization of lease assets	1,058
Interest on lease liabilities	529
Total lease expense	<u>\$ 71,816</u>

Lease term and discount rate as of December 31, 2023 are as follows:

Weighted-average remaining lease term:	
Operating leases	12.4 years
Finance leases	18.6 years
Weighted-average discount rate:	
Operating leases	3.0%
Finance leases	4.1%

The following table summarizes the maturity of lease liabilities under finance and operating leases for the next five years and thereafter, as of December 31, 2023:

	Operating Leases	Finance Leases	Total
2024	\$ 44,325	\$ 1,663	\$ 45,988
2025	38,948	1,697	40,645
2026	35,095	1,732	36,827
2027	33,628	1,756	35,384
2028	31,067	1,789	32,856
Thereafter	172,473	4,826	177,299
Total lease payments	355,536	13,463	<u>\$ 368,999</u>
Less: imputed interest	76,864	2,378	
Total lease liabilities	<u>\$ 278,672</u>	<u>\$ 11,085</u>	

Supplemental cash flow information related to leases for the year ended December 31, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 49,948
Operating cash flows from finance leases	184
Financing cash flows from finance leases	539
Lease assets obtained in exchange for new operating lease liabilities	102,521
Lease assets obtained in exchange for new finance lease liabilities	5,794

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6. Debt Obligations

Allocation of Debt

Certain hospitals within the Division and certain other affiliates controlled by the Parent Corporation comprise the AdventHealth Obligated Group (Obligated Group). Debt and the related proceeds are allocated to Obligated Group members based on capital funding needs and are subsequently managed under a pooled debt methodology. The debt is allocated in the same ratio of fixed-rate to variable-rate debt that exists for the Obligated Group's total obligations and interest expense is allocated using a weighted-average interest rate based on the total interest expense of the Obligated Group.

Long-term debt consisted of the following at December 31, 2023:

Fixed-rate hospital revenue bonds, interest rates from 2.15% to 5.00%, payable through 2058	\$ 1,620,565
Other notes payable	24
Finance leases payable	11,085
Unamortized original issue premium, net	119,406
Deferred financing costs	(10,279)
	<u>1,740,801</u>
Less: current maturities	<u>(35,818)</u>
	<u>\$ 1,704,983</u>

Master Trust Indenture

Long-term debt has been issued primarily on a tax-exempt basis. The Obligated Group members are jointly and severally liable under a Master Trust Indenture (MTI) to make all payments required with respect to obligations under the MTI. Total obligations under the MTI were approximately \$3,768,000 at December 31, 2023. At December 31, 2023, the Obligated Group had total net assets of approximately \$14,086,000. The MTI requires certain covenants and reporting requirements to be met by the System and the Obligated Group. The obligations are secured under the MTI, which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings.

Variable-Rate Bonds and Sources of Liquidity

Certain variable-rate bonds, totaling \$236,082 as of December 31, 2023, are classified as short-term financings in the accompanying combined balance sheet, and may be put to the Obligated Group at the option of the bondholder. The variable-rate bond indentures generally provide the Obligated Group the option to remarket the obligations at the then-prevailing market rates for periods ranging from one day to the maturity dates. The obligations have been primarily marketed for seven-day periods during 2023, with annual interest rates ranging from 1.58% to 4.64%. Additionally, the Obligated Group paid fees, such as remarketing fees, on variable-rate bonds during 2023.

The Parent Corporation has various sources of liquidity, including a revolving credit agreement (Revolving Note) with a syndicate of banks and a commercial paper program (CP Program). The Revolving Note is available for letters of credit, liquidity facilities, and general corporate needs, including working capital, capital expenditures, and acquisitions and has certain prime rate and SOFR-based pricing options. In October 2022, the Parent Corporation increased the capacity of its Revolving Note from \$500,000 to \$750,000 and extended the maturity date from December 2023 to October 2027. At

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December 31, 2023, the Parent Corporation had approximately \$3,500 committed to letters of credit under the Revolving Note. The System's CP Program allows for up to \$500,000 of taxable, commercial paper notes (CP Notes) to be issued for general corporate purposes at an interest rate to be determined at the time of issuance.

2023 Debt Transactions

As of December 31, 2022, the Obligated Group had \$152,721 outstanding under the CP Program. During 2023, the Obligated Group made draws and repayments under the CP Program, which resulted in an overall repayment of amounts outstanding under the CP Program. The draws on the CP Program during the year had interest rates ranging from 4.92% to 5.35% and were used to finance certain costs of the acquisition, construction, and equipping of certain facilities. No amounts were outstanding under the CP Program as of December 31, 2023.

In July 2023, the Obligated Group issued \$227,075 of tax-exempt, fixed-rate put bonds at a premium with final maturity dates of 2057 and 2058 and a stated interest rate of 5.00%. The Obligated Group used the bond proceeds for reimbursement of prior capital expenditures and acquisitions, some of which had been previously financed under the CP Program. In August 2023, the Obligated Group issued \$58,210 of tax-exempt, fixed-rate bonds at a premium with a final maturity date of 2036 and a stated interest rate of 5.00%. The Obligated Group used the proceeds from the August 2023 bond issuance to refund a portion of previously issued put bonds which had a mandatory tender date in November 2023. There was no material impact to the Obligated Group's financial statements as a result of the early extinguishment of debt.

As of December 31, 2023, the Parent Corporation had \$100,000 outstanding under the Revolving Note.

Debt Maturities

The following represents the maturities of long-term debt, excluding finance leases disclosed in Note 5, for the next five years and the years thereafter:

2024	\$	34,588
2025		74,169
2026		166,703
2027		43,076
2028		146,170
Thereafter		1,155,883

Cash paid for interest, net of amounts capitalized, approximated \$72,000 during the year ended December 31, 2023.

7. Retirement Plans

Defined Contribution Plan

The Division participates with other Seventh-day Adventist healthcare entities in a defined contribution retirement plan (Plan) that covers substantially all full-time employees who are at least 18 years of age. The Plan is exempt from the Employee Retirement Income Security Act of 1974 (ERISA). The Plan provides, among other things, that the employer contribute 2.6% of wages, plus additional amounts for highly compensated employees. Additionally, the Plan provides that the employer match 50%

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of an employee's contributions up to 4% of the contributing employee's wages, resulting in a maximum available match of 2% of the contributing employee's wages each year.

Contributions to the Plan are included in employee compensation in the accompanying combined statement of operations and changes in net assets in the amount of \$122,027 for the year ended December 31, 2023.

Defined Benefit Plan – Multiemployer Plan

Prior to January 1, 1992, certain of the hospitals within the Division participated in a multiemployer, noncontributory, defined benefit retirement plan, the Seventh-day Adventist Hospital Retirement Plan Trust (Old Plan) sponsored and administered by the North American Division of the General Conference of Seventh-day Adventists that is exempt from ERISA. The employer identification number of the Old Plan is 52-2000393. The risks of participating in multiemployer plans are different from single-employer plans in that: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (c) if an entity chooses to stop participating in the multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability.

During 1992, the Old Plan was frozen, and the Plan was established. The participating hospitals within the Division, along with the other participants in the Old Plan, may be required to make future contributions to the Old Plan to fund any difference between the present value of the Old Plan benefits and the fair value of the Old Plan assets. Future funding amounts and the funding time periods have not been determined by the Old Plan administrators. Based on the most recently available unaudited estimate of the funding shortfall, future funding requirements are probable, but have not been requested by the Old Plan administrators. Management believes the impact of any such future funding requirements will not have a material adverse effect on the Division's combined financial statements.

The participating hospitals within the Division were not required to and did not make any contributions to the Old Plan for the year ended December 31, 2023.

The most recent available plan assets and actuarially determined benefit obligation for the Old Plan, which includes all participating employers, is as of January 1, 2023, and is as follows:

Total plan assets	\$ 374,446
Actuarial present value of accumulated plan benefits (unaudited)	702,186
Funded status (unaudited)	53%

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Defined Benefit Plan – Frozen Pension Plans

Certain of the Division's entities sponsored noncontributory, defined benefit pension plans (Pension Plans) that have been frozen such that no new benefits accrue. The following table sets forth the remaining combined projected and accumulated benefit obligations and the assets of the Pension Plans at December 31, 2023, the components of net periodic pension cost for the year then ended, and a reconciliation of the amounts recognized in the accompanying combined financial statements:

Accumulated benefit obligation, end of year	<u>\$ 102,418</u>
Change in projected benefit obligation:	
Projected benefit obligation, beginning of year	\$ 101,229
Interest cost	5,559
Benefits paid	(8,914)
Actuarial losses	<u>4,544</u>
Projected benefit obligation, end of year	102,418
Change in plan assets:	
Fair value of plan assets, beginning of year	92,763
Actual return on plan assets	8,215
Benefits paid	<u>(8,914)</u>
Fair value of plan assets, end of year	<u>92,064</u>
Deficiency of fair value of plan assets over projected benefit obligation, included in other noncurrent liabilities	<u>\$ (10,354)</u>

No plan assets are expected to be returned to the Division during the fiscal year ending December 31, 2024.

Included in net assets without donor restrictions at December 31, 2023 are unrecognized actuarial losses of \$16,595, which have not yet been recognized in net periodic pension cost.

Changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the year ended December 31, 2023 include:

Net actuarial losses	\$ (795)
Amortization of net actuarial losses	268
Total decrease in net assets without donor restrictions	<u>\$ (527)</u>

The components of net periodic pension cost for the year ended December 31, 2023 were as follows:

Interest cost	\$ 5,559
Expected return on plan assets	(4,466)
Recognized net actuarial losses	268
Net periodic pension cost	<u>\$ 1,361</u>

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The assumptions used to determine the benefit obligation and net periodic pension cost for the Pension Plans for the year ended December 31, 2023 are set forth below:

Used to determine projected benefit obligation

Weighted-average discount rate 5.25%

Used to determine pension cost

Weighted-average discount rate 5.65%

Weighted-average expected long-term rate of return on plan assets 5.00%

The Pension Plans' assets are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. The Pension Plans' assets are managed solely in the interest of the participants and their beneficiaries. Diversification is achieved by allocating funds to various asset classes and investment styles and by retaining multiple investment managers with complementary styles, philosophies and approaches.

During 2023, the weighted-average discount rate, which is determined using a cash flow matching approach, decreased to 5.25%, resulting in an actuarial loss of \$3,994. The expected long-term rate of return on the Pension Plans' assets is based on historical and projected rates of return for current and planned asset categories and the target allocation in the investment portfolio. As of December 31, 2023, the target investment allocation for the Pension Plans was 70% debt securities and 30% equity securities.

The following table presents the Pension Plans' financial instruments as of December 31, 2023, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 11:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,196	\$ 2,196	\$ —	\$ —
Debt securities				
U.S. government agencies and sponsored entities	2,829	—	2,829	—
Corporate bonds	59,781	—	59,781	—
Equity securities				
Domestic equities	2,856	2,856	—	—
Foreign equities	1,494	1,494	—	—
Exchange-traded funds				
Domestic equity	18,416	18,416	—	—
Foreign equity	4,492	4,492	—	—
Total plan assets	<u>\$ 92,064</u>	<u>\$ 29,454</u>	<u>\$ 62,610</u>	<u>\$ —</u>

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The following represents the expected benefit plan payments for the next five years and the five years thereafter:

2024	\$ 7,122
2025	7,312
2026	7,451
2027	7,625
2028	7,675
2029-2033	38,191

8. General and Professional Liability Program

The Division participates in a self-insured revocable trust (Trust) that covers their respective employees for professional and general liability claims within a specified level (Self-Insured Retention). For the majority of the Division's operations, a Self-Insured Retention of \$15,000 was established for the year ended December 31, 2003 and was increased to \$20,000 effective April 1, 2020. Claims above the Self-Insured Retention are insured by claims-made coverage issued by Adhealth Limited (Adhealth), a Bermuda-domiciled captive insurance company. Adhealth has purchased reinsurance through commercial insurers for the excess limits of coverage.

The assets and liabilities related to the Trust are recorded in the Parent Corporation's consolidated financial statements and the costs are allocated to the Trust participants (Note 10).

9. Commitments and Contingencies

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. There is significant government activity within the healthcare industry with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Compliance with such laws and regulations can be subject to future review and interpretation, as well as regulatory actions unknown or unasserted at this time. Management assesses the probable outcome of unresolved litigation and investigations and records contingent liabilities reflecting estimated liability exposure. In addition, certain of the Division's hospitals are involved in litigation and other regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the Division's combined financial statements, taken as a whole.

See Note 14 for discussion of the COVID-19 pandemic and contingencies related to this significant event.

10. Transactions With Related Organizations

Certain transactions are made with the Parent Corporation on a routine basis. These transactions are composed of management fees (including fees for management and other services provided by the Parent Corporation), information technology services, and centralized shared services, which are disclosed as corporate services in Note 13. Additionally, the Division records allocated amounts for medical malpractice, workers' compensation, and other fees (including legal fees, taxes, professional fees, etc., that are initially paid for by the Parent Corporation).

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The Division also participates in a self-insured pool that covers the System's employees for health benefits (Health Insurance Pool). The assets and liabilities of the Health Insurance Pool are recorded in the Parent Corporation's consolidated financial statements and the costs, including related administrative fees, are allocated to the participants of the program.

Allocated costs, which are included within total operating expenses in the accompanying combined statements of operations and changes in net assets, consist of the following for the year ended December 31, 2023:

Employee health insurance	\$ 450,549
Medical malpractice insurance	91,908
Brand and marketing services	23,462
Workers' compensation insurance	16,040
Other fees	107,723
	<u>\$ 689,682</u>

For the year ended December 31, 2023, the Division transferred \$111,708 to the Parent Corporation and \$155,808 to affiliates to assist in funding various operating and capital needs.

Receivables from and payables to related organizations are principally related to the Parent Corporation and other affiliated organizations. These amounts consist of the following at December 31, 2023:

Receivables from related organizations included in other receivables and other assets	\$ 3,625
Payables to related organizations included in other current liabilities	393,309

The Division pays professional fees to an affiliate for physician services related to physicians employed by the affiliate. Fees paid during 2023 approximated \$723,000 and are primarily included in nonoperating losses, net in the accompanying combined statement of operations and changes in net assets.

The Division has prepaid for certain information technology services to a related organization. The amount paid during 2023 was approximately \$74,000. The unamortized portion of the prepaid fees is included in other current assets and other assets (Note 4) in the accompanying combined balance sheet and will be amortized in future years.

11. Fair Value Measurements

The Division categorizes, for disclosure purposes, assets and liabilities measured at fair value, on a recurring basis, into a three-tier fair value hierarchy. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement, which should be determined based on assumptions that would be made by market participants.

For all investments measured at fair value, the hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest

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priority to unobservable inputs (Level 3 measurement). Level inputs are defined as follows:

Level 1 – based on unadjusted quoted prices for identical assets or liabilities in an active market that the Division has the ability to access.

Level 2 – based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

Level 3 – based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The Division has no financial assets or financial liabilities with significant Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The central investment pool has other investments that are valued using NAV (Note 2) as a practical expedient and are excluded from the three-tier hierarchy. These investments valued using NAV represent 24% of the central investment pool at December 31, 2023. The investments included within the following table are measured at fair value and represent the remaining 76% of the central investment pool at December 31, 2023.

Financial assets measured at fair value on a recurring basis within the central investment pool (Note 2) and allocated trustee-held funds at December 31, 2023 were measured based on inputs categorized as follows:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	29%	21%	8%	—%
Debt securities				
U.S. government agencies and sponsored entities	30	—	30	—
Foreign government agencies and sponsored entities	4	—	4	—
Corporate bonds	1	—	1	—
Mortgage backed	2	—	2	—
Other asset backed	1	—	1	—
Short-term investments	6	—	6	—
Exchange-traded and mutual funds				
Domestic equity	9	9	—	—
Fixed income	18	18	—	—
Total	100%	48%	52%	—%

Notes to Combined Financial Statements

For the year ended
December 31, 2023
(dollars in thousands)

Within the central investment pool, the fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 financial assets were determined as follows:

Cash equivalents, U.S. and foreign government agencies and sponsored entities, corporate bonds, mortgage backed, other asset backed, and short-term investments – These Level 2 securities were valued through the use of third-party pricing services that use evaluated bid prices adjusted for specific bond characteristics and market sentiment.

12. Liquidity and Available Resources

The Division's primary cash requirements are paying operating expenses, servicing debt and capital expenditures related to the expansion and renovation of existing hospitals. Primary cash sources are cash flows from operating activities. In addition to the Division's cash flows from operations, the System has access to public and private debt markets and maintains a revolving credit agreement and commercial paper program, as described in Note 6.

The Division had 194 days cash on hand at December 31, 2023. Days cash on hand is calculated as cash and cash management deposits divided by daily operating and nonoperating expenses (excluding depreciation and amortization expense).

The Division's financial assets also consist of patient accounts receivable totaling \$751,261 and other receivables totaling \$964,816 as of December 31, 2023. Other receivables are primarily composed of the notes associated with the Division's sale of patient accounts receivable, which is more fully described in Note 1. The Division's financial assets are available as its general expenditures, liabilities, and other obligations come due.

13. Functional Expenses

The Division's resources and activities are primarily related to providing healthcare services. Corporate services include certain administration, finance and accounting, human resources, legal, and other functions provided by the Parent Corporation.

Expenses by functional classification for the year ended December 31, 2023 consist of the following:

	Healthcare Services	Corporate Services	Total
Employee compensation	\$ 4,390,444	\$ —	\$ 4,390,444
Purchased services and professional fees	1,165,102	557,003	1,722,105
Supplies	1,831,534	—	1,831,534
Other	1,317,212	—	1,317,212
Total	<u>\$ 8,704,292</u>	<u>\$ 557,003</u>	<u>\$ 9,261,295</u>

14. Significant Events

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. Patient volumes and the related revenue for most services were significantly

Notes to Combined Financial Statements

*For the year ended
December 31, 2023
(dollars in thousands)*

impacted beginning in mid-March 2020 through early 2022 as various policies were implemented by federal, state, and local governments such as suspension of elective procedures and as COVID-19 volumes surged. Since that time, there have been gradual improvements in volumes and related revenues.

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted on March 27, 2020. The CARES Act authorizes funding to hospitals and other healthcare providers through the Public Health and Social Services Emergency Fund (Provider Relief Fund). Grant payments from the Provider Relief Fund are intended to reimburse healthcare providers for healthcare related expenses and/or lost revenue attributable to the COVID-19 pandemic. The Division began receiving Provider Relief Funds in April 2020. During the year ended December 31, 2023, Provider Relief Funds recognized by the Division were not material. The Division continues to monitor compliance with the terms and conditions of COVID-19 governmental funding as it relates to the Division's ability to retain the distributions received to date.

On May 11, 2023, the public health emergency (PHE) declaration for COVID-19 expired. Waivers introduced as part of the PHE eased certain administrative requirements, expanded the flexibility for delivery of certain healthcare services, such as telehealth, and allowed for various financial support to healthcare providers during the PHE. These waivers were intended to help healthcare providers respond to the COVID-19 pandemic.

The Division will continue to monitor compliance with the regulatory requirements that have been reintroduced following the PHE expiration.

15. Subsequent Events

The Division evaluated events and transactions occurring subsequent to December 31, 2023 through March 12, 2024, the date the accompanying combined financial statements were available for issuance. During this period, there were no subsequent events that required recognition in the accompanying combined financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure.

Supplementary Information

AdventHealth - Florida Division Hospitals

Combining Balance Sheet

December 31, 2023

	AdventHealth Orlando	AdventHealth Heart of Florida	AdventHealth Lake Wales	AdventHealth Daytona Beach	AdventHealth DeLand	AdventHealth Fish Memorial	AdventHealth Palm Coast	AdventHealth Palm Coast Parkway	AdventHealth New Smyrna Beach
<i>(dollars in thousands)</i>									
ASSETS									
Current Assets									
Cash and cash management deposits	\$ 3,594,080	\$ 116,907	\$ 1,197	\$ 202,833	\$ 148,132	\$ 96,597	\$ 278,171	\$ 733	\$ 6,444
Patient accounts receivable	255,094	38,734	12,228	76,042	27,709	31,502	30,640	14,564	17,076
Estimated settlements from third parties	327,090	10,802	5,329	11,158	4,484	7,421	6,363	581	2,967
Other receivables	752,116	8,337	932	9,505	6,304	4,352	151,701	—	1,576
Inventories	116,164	7,692	1,547	11,411	2,640	3,874	3,536	2,562	3,149
Prepaid expenses and other current assets	42,283	6,012	2,037	10,678	2,354	3,050	2,512	81	2,701
	<u>5,086,827</u>	<u>188,484</u>	<u>23,270</u>	<u>321,627</u>	<u>191,623</u>	<u>146,796</u>	<u>472,923</u>	<u>18,521</u>	<u>33,913</u>
Property and Equipment	3,113,418	146,754	27,203	276,225	48,168	162,442	86,907	158,589	64,482
Operating Lease Assets	173,881	4,418	1,992	7,184	1,533	2,819	1,716	537	1,628
Other Assets	284,206	23,256	2,633	42,471	6,205	7,885	16,881	—	8,172
	<u>\$ 8,658,332</u>	<u>\$ 362,912</u>	<u>\$ 55,098</u>	<u>\$ 647,507</u>	<u>\$ 247,529</u>	<u>\$ 319,942</u>	<u>\$ 578,427</u>	<u>\$ 177,647</u>	<u>\$ 108,195</u>
LIABILITIES AND NET ASSETS									
Current Liabilities									
Accounts payable and accrued liabilities	\$ 377,625	\$ 33,619	\$ 6,925	\$ 36,331	\$ 24,076	\$ 23,788	\$ 28,451	\$ 6,426	\$ 10,588
Estimated settlements to third parties	96,433	170	38	3,614	1,883	1,711	2,822	—	3,196
Other current liabilities	287,778	11,460	4,535	42,713	9,224	10,307	4,728	157,835	10,659
Short-term financings	104,719	2,673	2,228	13,567	2,815	5,286	6,383	3,726	1,685
Current maturities of long-term debt	15,342	392	326	1,988	412	774	935	546	260
	<u>881,897</u>	<u>48,314</u>	<u>14,052</u>	<u>98,213</u>	<u>38,410</u>	<u>41,866</u>	<u>43,319</u>	<u>168,533</u>	<u>26,388</u>
Long-Term Debt, net of current maturities	751,751	19,190	15,991	97,394	20,208	37,947	45,823	27,124	12,125
Operating Lease Liability, net of current portion	179,397	4,180	2,133	6,262	1,300	2,267	1,312	446	1,258
Other Noncurrent Liabilities	11,327	—	—	990	114	83	24	—	1,061
	<u>1,824,372</u>	<u>71,684</u>	<u>32,176</u>	<u>202,859</u>	<u>60,032</u>	<u>82,163</u>	<u>90,478</u>	<u>196,103</u>	<u>40,832</u>
Net Assets									
Net assets without donor restrictions	6,731,254	291,228	22,922	438,568	186,880	236,608	487,680	(18,456)	67,363
Net assets with donor restrictions	102,706	—	—	6,080	617	1,171	269	—	—
	<u>6,833,960</u>	<u>291,228</u>	<u>22,922</u>	<u>444,648</u>	<u>187,497</u>	<u>237,779</u>	<u>487,949</u>	<u>(18,456)</u>	<u>67,363</u>
Commitments and Contingencies									
	<u>\$ 8,658,332</u>	<u>\$ 362,912</u>	<u>\$ 55,098</u>	<u>\$ 647,507</u>	<u>\$ 247,529</u>	<u>\$ 319,942</u>	<u>\$ 578,427</u>	<u>\$ 177,647</u>	<u>\$ 108,195</u>

AdventHealth Waterman	AdventHealth Tampa	AdventHealth Carrollwood	AdventHealth Connerton	AdventHealth Dade City	AdventHealth Sebring	AdventHealth Wauchula	AdventHealth North Pinellas	AdventHealth Ocala	AdventHealth Wesley Chapel	AdventHealth Zephyrhills	Elimination & Combining Entries	Combined Total
\$ 315,173	\$ 355	\$ 88,021	\$ —	\$ 13,562	\$ 152,869	\$ 24,384	\$ —	\$ —	\$ 234,180	\$ 102,874	\$ —	\$ 5,376,512
49,288	37,216	12,007	14,463	12,345	8,537	5,894	22,699	54,665	21,282	9,276	—	751,261
7,397	32,724	6,562	—	—	6,006	640	76	17,936	133	203	—	447,872
18,013	71,266	22,114	65	891	27,098	—	56	4,108	34,632	19,040	(167,290)	964,816
5,936	19,503	5,028	230	2,515	4,014	75	4,275	12,674	9,938	5,912	—	222,675
4,853	11,345	3,005	475	1,229	2,241	949	2,874	9,245	4,793	2,468	—	115,185
400,660	172,409	136,737	15,233	30,542	200,765	31,942	29,980	98,628	304,958	139,773	(167,290)	7,878,321
185,553	558,824	177,737	35,666	21,870	81,786	19,672	81,648	194,628	182,566	56,184	—	5,680,322
3,352	16,564	2,121	427	3,593	5,902	37	3,746	4,993	15,257	1,112	(2,418)	250,394
48,022	35,195	9,597	1,731	2,737	12,035	3	9,606	15,198	9,162	6,920	—	541,915
\$ 637,587	\$ 782,992	\$ 326,192	\$ 53,057	\$ 58,742	\$ 300,488	\$ 51,654	\$ 124,980	\$ 313,447	\$ 511,943	\$ 203,989	\$ (169,708)	\$ 14,350,952
\$ 25,805	\$ 62,542	\$ 15,682	\$ 4,303	\$ 6,179	\$ 33,875	\$ 1,280	\$ 11,610	\$ 29,887	\$ 20,275	\$ 17,491	\$ (3)	\$ 776,755
3,106	8,093	2,522	373	1,115	5,096	4,634	1,674	4,604	3,346	2,265	—	146,695
18,189	58,248	6,189	6,665	7,827	14,238	17	54,317	41,901	12,271	138	(167,900)	591,339
8,828	34,226	6,148	2,256	1,123	6,659	—	5,365	10,362	12,473	5,560	—	236,082
1,293	5,014	901	331	165	976	—	938	1,518	2,892	815	—	35,818
57,221	168,123	31,442	13,928	16,409	60,844	5,931	73,904	88,272	51,257	26,269	(167,903)	1,786,689
63,373	245,693	44,132	16,197	8,062	47,796	4	41,768	74,383	96,107	39,915	—	1,704,983
2,685	14,086	1,780	383	3,506	4,191	180	3,112	4,139	14,124	1,023	(1,798)	245,966
23	8,588	1,564	71	—	57	2	862	—	—	—	—	24,766
123,302	436,490	78,918	30,579	27,977	112,888	6,117	119,646	166,794	161,488	67,207	(169,701)	3,762,404
474,562	337,853	245,173	22,478	30,765	187,003	44,730	1,241	146,653	349,342	136,343	(7)	10,420,203
39,723	8,649	2,101	—	—	597	787	4,093	—	1,113	439	—	168,345
514,285	346,502	247,274	22,478	30,765	187,600	45,537	5,334	146,653	350,455	136,782	(7)	10,588,548
\$ 637,587	\$ 782,992	\$ 326,192	\$ 53,057	\$ 58,742	\$ 300,488	\$ 51,654	\$ 124,980	\$ 313,447	\$ 511,943	\$ 203,989	\$ (169,708)	\$ 14,350,952

AdventHealth - Florida Division Hospitals
Combining Statement of Revenue and Expenses

Year ended December 31, 2023

(dollars in thousands)

	AdventHealth Orlando	AdventHealth Heart of Florida	AdventHealth Lake Wales	AdventHealth Daytona Beach	AdventHealth DeLand	AdventHealth Fish Memorial	AdventHealth Palm Coast	AdventHealth Palm Coast Parkway	AdventHealth New Smyrna Beach	AdventHealth Waterman
Revenue										
Net patient service revenue	\$ 6,091,704	\$ 270,476	\$ 94,079	\$ 601,809	\$ 231,024	\$ 258,584	\$ 269,433	\$ 37,885	\$ 162,728	\$ 389,796
Other	103,094	5,120	995	6,541	2,802	2,216	1,022	172	2,552	21,290
Total operating revenue	6,194,798	275,596	95,074	608,350	233,826	260,800	270,455	38,057	165,280	411,086
Expenses										
Employee compensation	2,296,252	99,320	42,233	242,733	97,242	108,060	104,468	26,985	72,903	174,932
Supplies	989,751	42,009	10,542	127,818	30,537	36,583	35,485	8,422	33,407	61,601
Purchased services	239,981	20,909	9,210	26,526	13,516	22,494	15,548	2,413	14,359	24,374
Professional fees	595,934	29,223	12,528	48,287	23,328	27,479	29,088	5,895	19,849	35,909
Other	471,747	20,672	7,814	30,556	11,668	15,284	11,882	1,342	9,960	38,347
Interest	25,788	596	621	3,292	707	1,328	312	320	425	2,218
Depreciation and amortization	243,137	10,677	3,078	22,446	5,369	11,800	9,231	5,034	4,806	17,302
Total operating expenses	4,862,590	223,406	86,026	501,658	182,367	223,028	206,014	50,411	155,709	354,683
Income (Loss) from Operations	1,332,208	52,190	9,048	106,692	51,459	37,772	64,441	(12,354)	9,571	56,403
Nonoperating (Losses) Gains, Net	(184,388)	(5,945)	(3,014)	(32,675)	(3,561)	(6,628)	1,354	(4,865)	(6,636)	(1,764)
Excess (Deficiency) of Revenue and Gains over Expenses and Losses	<u>\$ 1,147,820</u>	<u>\$ 46,245</u>	<u>\$ 6,034</u>	<u>\$ 74,017</u>	<u>\$ 47,898</u>	<u>\$ 31,144</u>	<u>\$ 65,795</u>	<u>\$ (17,219)</u>	<u>\$ 2,935</u>	<u>\$ 54,639</u>

AdventHealth Tampa	AdventHealth Carrulwood	AdventHealth Connerton	AdventHealth Dade City	AdventHealth Sebring	AdventHealth Wauchula	AdventHealth North Pinellas	AdventHealth Ocala	AdventHealth Wesley Chapel	AdventHealth Zephyrhills	Elimination & Combining Entries	Combined Total
\$ 786,783	\$ 253,772	\$ 49,464	\$ 92,475	\$ 292,665	\$ 35,366	\$ 157,694	\$ 434,534	\$ 397,671	\$ 225,481	\$ -	\$ 11,133,423
13,032	974	217	288	2,848	428	631	8,899	2,002	1,295	(11,591)	164,827
799,815	254,746	49,681	92,763	295,513	35,794	158,325	443,433	399,673	226,776	(11,591)	11,298,250
311,765	95,271	31,324	45,157	131,070	13,563	72,478	179,645	139,701	105,342	-	4,390,444
154,707	46,265	4,414	11,982	38,786	1,942	22,776	72,898	66,757	34,852	-	1,831,534
56,881	21,259	3,977	8,236	15,319	1,652	17,958	32,311	24,957	16,950	(12,426)	576,404
87,643	25,171	5,225	10,099	49,287	6,153	21,551	56,245	32,125	24,682	-	1,145,701
65,417	13,000	2,276	4,286	17,549	2,683	10,016	34,237	18,341	10,228	846	798,151
8,387	1,506	567	282	1,673	-	3,290	3,181	3,134	1,189	-	59,016
47,397	13,293	1,756	3,735	9,195	1,949	6,343	19,786	16,176	7,535	-	460,045
732,397	215,765	49,539	83,777	262,879	27,942	154,412	398,303	301,191	200,778	(11,580)	9,261,295
67,418	38,981	142	8,986	32,634	7,852	3,913	45,130	98,482	25,998	(11)	2,036,955
(70,221)	(8,687)	(76)	(1,112)	(4,707)	(1,100)	(11,776)	(28,834)	930	2,211	-	(371,494)
\$ (2,803)	\$ 30,294	\$ 66	\$ 7,874	\$ 27,927	\$ 6,752	\$ (7,863)	\$ 16,296	\$ 99,412	\$ 28,209	\$ (11)	\$ 1,665,461

Report of Independent Auditors

The Board of Directors
Adventist Health System Sunbelt Healthcare Corporation
d/b/a AdventHealth

Opinion

We have audited the accompanying combined financial statements of AdventHealth – Florida Division Hospitals (the Division), which comprise the combined balance sheet as of December 31, 2023, and the related combined statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Division at December 31, 2023, and the combined results of its operations and changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Division and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

AdventHealth – Florida
Division Hospitals

Report of Independent Auditors

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying consolidating details and other supplementary information on pages 25 through 28 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst + Young LLP

Orlando, Florida
March 12, 2024

**Audited
Combined
Financial
Statements and
Supplementary
Information**

December 31, 2024

**AdventHealth – Florida Division
Hospitals**

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Combined Balance Sheet

December 31, 2024

(dollars in thousands)

ASSETS

Current Assets

Cash and cash management deposits	\$ 7,696,879
Patient accounts receivable	739,311
Estimated settlements from third parties	517,717
Other receivables	929,800
Inventories	226,619
Prepaid expenses and other current assets	159,406
	<u>10,269,732</u>

Property and Equipment

6,282,448

Operating Lease Assets

227,348

Other Assets

565,819

\$ 17,345,347

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued liabilities	\$ 965,825
Estimated settlements to third parties	190,430
Other current liabilities	620,534
Short-term financings	243,579
Current maturities of long-term debt	47,841
	<u>2,068,209</u>

Long-Term Debt, net of current maturities

1,842,161

Operating Lease Liabilities, net of current portion

222,063

Other Noncurrent Liabilities

56,129

4,188,562

Net Assets

Net assets without donor restrictions	12,966,715
Net assets with donor restrictions	190,070
	<u>13,156,785</u>

Commitments and Contingencies

\$ 17,345,347

AdventHealth – Florida
Division Hospitals

The accompanying notes are an integral part of these combined financial statements.

Combined Statement of Operations and Changes in Net Assets

*For the year ended
December 31, 2024*

(dollars in thousands)

Revenue	
Net patient service revenue	\$ 13,007,880
Other	<u>152,997</u>
Total operating revenue	13,160,877
Expenses	
Employee compensation	4,740,208
Supplies	2,069,076
Purchased services	679,507
Professional fees	1,275,943
Other	901,518
Interest	56,191
Depreciation and amortization	<u>484,944</u>
Total operating expenses	10,207,387
Income from Operations	2,953,490
Nonoperating Losses, Net	<u>(476,745)</u>
Excess of Revenue over Expenses and Losses	2,476,745
Other Changes in Net Assets Without Donor Restrictions	
Net assets released from restrictions for purchase of property and equipment	15,289
Addition of AdventHealth Riverview	137,460
Transfers to affiliates, net	(83,122)
Other	<u>140</u>
Increase in net assets without donor restrictions	2,546,512
Net Assets With Donor Restrictions	
Gifts and grants	22,303
Net assets released from restrictions for purchase of property and equipment or use in operations	(21,634)
Investment return	1,366
Other	<u>19,690</u>
Increase in net assets with donor restrictions	21,725
Increase in Net Assets	2,568,237
Net assets, beginning of year	<u>10,588,548</u>
Net assets, end of year	<u><u>\$ 13,156,785</u></u>

**AdventHealth – Florida
Division Hospitals**

The accompanying notes are an integral part of these combined financial statements.

Combined Statement of Cash Flows

For the year ended
December 31, 2024

(dollars in thousands)

Operating Activities

Increase in net assets	\$ 2,568,237
Depreciation and amortization – operating	484,944
Depreciation – nonoperating	8,379
Amortization of deferred financing costs and original issue discounts and premiums	(14,388)
Amortization of prepaid information technology services	62,837
Gain on extinguishment of debt	(691)
Loss on disposal of property, equipment, and other assets	8,959
Reclass of restricted gifts and grants and investment return	(23,669)
Transfers to affiliates, net	83,122
Changes in operating assets and liabilities:	
Patient accounts receivable	(1,378,106)
Other receivables	130,469
Prepaid expenses and other current assets	(48,165)
Other noncurrent assets	42,158
Accounts payable and accrued liabilities	209,873
Estimated settlements to third parties, net	(26,110)
Other current liabilities	29,195
Other noncurrent liabilities	(11,801)
Net cash provided by operating activities	<u>2,125,243</u>

Investing Activities

Purchases of property and equipment	(1,099,158)
Proceeds from sale of property and equipment	2,252
Subsequent cash receipts on sold patient accounts receivable	1,294,603
Increase in other assets	(95,570)
Net cash provided by investing activities	<u>102,127</u>

Financing Activities

Repayments of long-term borrowings	(81,262)
Proceeds from issuance of long-term borrowings	228,058
Repayments of short-term borrowings	(3,518)
Proceeds from issuance of short-term borrowings	11,017
Transfers to affiliates, net	(83,122)
Payment of deferred financing costs	(1,845)
Restricted gifts and grants and investment return	23,669
Net cash provided by financing activities	<u>92,997</u>

Increase in Cash and Cash Management Deposits

Cash and cash management deposits at beginning of year	5,376,512
Cash and Cash Management Deposits at End of Year	<u>\$ 7,696,879</u>

Supplemental Disclosure of Significant Noncash Transactions

Beneficial interest obtained in exchange for patient accounts receivable	\$ (1,390,056)
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AdventHealth – Florida
Division Hospitals

The accompanying notes are an integral part of these combined financial statements.

Notes to Combined Financial Statements

For the year ended
December 31, 2024
(dollars in thousands)

AdventHealth – Florida
Division Hospitals

1. Significant Accounting Policies

Reporting Entity

AdventHealth – Florida Division Hospitals (Division) is a group of not-for-profit, general acute care hospitals exempt from state and federal income taxes except for any net unrelated business taxable income. These hospitals are located in the state of Florida and are controlled affiliates of Adventist Health System Sunbelt Healthcare Corporation d/b/a AdventHealth (Parent Corporation).

The Division includes the following hospitals:

Legal Name	d/b/a
Adventist Health System/Sunbelt Inc.	AdventHealth Orlando
AdventHealth Polk North, Inc.	AdventHealth Heart of Florida
AdventHealth Polk South, Inc.	AdventHealth Lake Wales
Memorial Health Systems Inc.	AdventHealth Daytona Beach
Memorial Hospital-West Volusia Inc.	AdventHealth DeLand
Southwest Volusia Healthcare Corporation	AdventHealth Fish Memorial
Memorial Hospital Flagler, Inc.	AdventHealth Palm Coast
AdventHealth Palm Coast Parkway, Inc.	AdventHealth Palm Coast Parkway
Southeast Volusia Healthcare Corporation	AdventHealth New Smyrna Beach
Florida Hospital Waterman, Inc.	AdventHealth Waterman
University Community Hospital, Inc.	AdventHealth Tampa
University Community Hospital, Inc.	AdventHealth Carrollwood
University Community Hospital, Inc.	AdventHealth Connerton
Florida Hospital Dade City, Inc.	AdventHealth Dade City
AdventHealth Riverview	AdventHealth Riverview
Adventist Health System/Sunbelt Inc.	AdventHealth Sebring
Adventist Health System/Sunbelt Inc.	AdventHealth Wauchula
Tarpon Springs Hospital Foundation, Inc.	AdventHealth North Pinellas
Florida Hospital Ocala, Inc.	AdventHealth Ocala
Pasco-Pinellas Hillsborough Community Health System, Inc.	AdventHealth Wesley Chapel
Florida Hospital Zephyrhills, Inc.	AdventHealth Zephyrhills

All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

The Parent Corporation is controlled by the Lake Union Conference of Seventh-day Adventists, the Mid-America Union Conference of Seventh-day Adventists, the Southern Union Conference of Seventh-day Adventists, and the Southwestern Union Conference of Seventh-day Adventists. The Parent Corporation owns and/or operates hospitals, physician offices, urgent care centers and other healthcare facilities, and a philanthropic foundation with various informal divisions (collectively referred to as the System).

AdventHealth Foundation, Inc. (AdventHealth Foundation) is a charitable foundation operated by the System for the benefit of the hospitals that are divisions or controlled affiliates. Parent Corporation is AdventHealth Foundation's member and appoints its board of managers. The Division includes each hospital's related foundation (Foundations). The Foundations operate as divisions of AdventHealth Foundation, and each has a service area community board of directors appointed or approved by the Parent Corporation and is involved in philanthropic activities for the respective hospital.

As the Foundations are financially interrelated with the respective hospitals, the accounts of the Foundations are included within the accompanying combined balance sheet, statement of operations and changes in net assets, and statement of cash flows of the Division.

Notes to Combined Financial Statements

For the year ended
December 31, 2024
(dollars in thousands)

AdventHealth – Florida
Division Hospitals

The Division provides a full range of inpatient and outpatient services as permitted by the licenses issued to the Division's hospitals from the state of Florida. Activities associated with the provision of healthcare services within the hospital setting are the major and central operations of the Division. Revenue and expenses arise from, and are recorded based upon, the Division's activities.

The Division also engages in activities and transactions that do not relate to the direct care of patients within the hospital setting and are therefore incidental or peripheral to the Division's major ongoing operations. Activities and transactions that are incidental or peripheral to the operations of the Division are recorded as nonoperating gains or losses.

Use of Estimates

The preparation of these combined financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Adopted Accounting Guidance

In March 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-01, *Leases (Topic 842): Common Control Arrangements*. This ASU requires that leasehold improvements associated with arrangements between entities under common control, which are determined to be leases, be amortized by the lessee over the useful life of the leasehold improvements to the common control group as long as the lessee controls the use of the underlying asset through a lease. The Division adopted the standard effective January 1, 2024, using a prospective approach. This standard did not have a material impact on the Division's accompanying combined financial statements.

Recent Accounting Guidance Not Yet Adopted

In August 2023, the FASB issued ASU No. 2023-05, *Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*. The ASU requires that joint ventures apply a new basis of accounting for contributions received upon formation. By applying a new basis of accounting, the joint ventures will recognize and initially measure its assets and liabilities at fair value. The amendments do not apply to the formations of entities determined to be not-for-profit entities or joint ventures that may be proportionately consolidated by one or more of the ventures. This ASU will be effective for the Division beginning in 2025. Management does not anticipate this guidance will have a material impact to the Division's combined financial statements.

Net Patient Service Revenue

The Division's patient acceptance policy is based on its charitable purposes and its mission statement, which is to improve and enhance the local communities it serves in harmony with Christ's healing ministry. Accordingly, the Division accepts patients in immediate need of care, regardless of their ability to pay. Net patient service revenue is reported at the amount that reflects the consideration the Division expects to be due from patients and third-party payors in exchange for providing patient care. Providing patient care services is considered a single performance obligation, satisfied over time, in both the inpatient and outpatient settings. Generally, the Division bills the patients and third-party payors several days after services are performed or the patient is discharged from the facility.

Revenue for inpatient acute care services is recognized based on actual charges incurred in relation to total expected, or actual, charges. The Division measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

As all the Division's performance obligations relate to contracts with a duration of less than one year, the Division is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period, which are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

For patients covered by third-party payors, the Division determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to those third-party payors. The Division determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. The Division is subject to retroactive revenue adjustments due to future audits, reviews, and investigations. Additionally, the Division participates in certain state programs that provide supplemental Medicaid funding to partially offset unreimbursed Medicaid costs. These programs include a combination of intergovernmental transfers and federal matching dollars. They are typically approved by governmental agencies on an annual basis and, as such, funding for future years is not certain and subject to change. Contracts the Division has with commercial payors also provide for retroactive audit and review of claims. Settlements with third-party payors for retroactive adjustments are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor, and the Division's historical settlement activity, attempting to ensure that a significant revenue reversal will not occur when the final amounts are subsequently determined. Estimated settlements are adjusted in future periods as new information becomes available, or as years are settled or are no longer subject to such audits, reviews, and investigations. Net adjustments for prior-year cost reports and related valuation allowances, principally related to Medicare and Medicaid, resulted in increases to revenue of approximately \$19,000 for the year ended December 31, 2024.

Generally, patients covered by third-party payors are responsible for related deductibles and coinsurance, which is referred to as the patient portion. The Division also provides services to uninsured patients and offers those uninsured patients a discount from standard charges in accordance with its policies.

Consistent with the Division's mission, care is provided to patients regardless of their ability to pay. Therefore, the Division has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The difference between amounts billed to patients and the amounts the Division expects to collect based on its collection history with those patients is recorded as implicit price concessions, or as a direct reduction to net patient service revenue. Subsequent adjustments that are determined to be the result of an adverse change in the patient's or payor's ability to pay are recognized as bad debt expense. Bad debt expense for the year ended December 31, 2024 was not material for the Division, and is included within other expense in the accompanying combined statement of operations and changes in net assets, rather than as a deduction to arrive at revenue.

The Division estimates the transaction price for the patient portion and services provided to the uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

The composition of net patient service revenue by primary payor for the year ended December 31, 2024 is as follows:

	Amount	%
Managed Care	\$ 7,294,235	56%
Medicare	1,633,521	13
Managed Medicare	2,529,926	19
Medicaid	329,138	2
Managed Medicaid	707,703	5
Self-pay	5,545	1
Other	507,812	4
	<u>\$ 13,007,880</u>	<u>100%</u>

Charity Care

The Division's patient acceptance policy is based on its mission statement and its charitable purposes and, as such, the Division accepts patients in immediate need of care, regardless of their ability to pay. Patients who qualify for charity care are provided services for which no payment is due for all or a portion of the patient's bill. Therefore, charity care is excluded from net patient service revenue and the cost of providing such care is recognized within operating expenses.

The cost of charity care is calculated by applying a cost to gross charges ratio to uncompensated charges associated with providing charity care to patients and totaled \$436,848 for the year ended December 31, 2024. The Division also receives certain funds to offset or subsidize charity care services provided. These funds are primarily received from various state sponsored programs. Funds received to offset or subsidize charity care services (included in net patient service revenue) were \$193,004 for the year ended December 31, 2024.

Excess of Revenue Over Expenses and Losses

The combined statement of operations and changes in net assets include excess of revenue over expenses and losses as the performance indicator, which is analogous to net income of a for-profit enterprise. Changes in net assets without donor restrictions that are excluded from the performance indicator may include permanent transfers to and from affiliates, additions of hospitals to the Division, transfers of net assets released from restrictions for the purpose of acquiring long-lived assets, and other changes in net assets.

Nonoperating Losses, Net

Nonoperating losses, net, represent the net operations of activities or transactions incidental or peripheral to the direct care of patients within the hospital setting and primarily include investment return, certain physician practices, certain lab services, the activity of the Foundations, and home health services.

Contributed Resources

Resources restricted by donors for specific operating purposes or a specified time period are held as net assets with donor restrictions until expended for the intended purpose or until the specified time restrictions are met, at which time they are included within nonoperating losses, net. Resources restricted by donors for additions to property and equipment are held as net assets with donor restrictions until the assets are placed in service, at which time they are reported as transfers to net assets without donor restrictions. Gifts, grants, and bequests not restricted by donors are included in nonoperating losses, net.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

Cash Equivalents

Cash equivalents represent all highly liquid investments, including certificates of deposit and commercial paper, with maturities not in excess of three months when purchased. Interest income on cash equivalents is reported within nonoperating losses, net in the accompanying combined statement of operations and changes in net assets. Cash equivalents are included in cash and cash management deposits in the accompanying combined balance sheet.

Sale of Patient Accounts Receivable

The System and certain of its member affiliates maintain a program for the continuous sale of certain patient accounts receivable to the Highlands County, Florida, Health Facilities Authority (Highlands) on a nonrecourse basis. Highlands has partially financed the purchase of the patient accounts receivable through the issuance of private placement, tax-exempt, variable-rate bonds (Bonds). Highlands had Bonds outstanding of \$150,000 as of December 31, 2024. The Bonds have a put date and a final maturity date of November 2027. The System is the servicer of the receivables under this arrangement and is responsible for performing all accounts receivable administrative functions.

As of December 31, 2024, the estimated net realizable value, as defined in the underlying agreements, of patient accounts receivable sold by the System and removed from the accompanying combined balance sheet was \$851,226. The patient accounts receivable sold consist primarily of amounts due from government programs and commercial insurers. The allocated proceeds received by the Division from Highlands as of December 31, 2024 consist of \$150,000 in cash from the Bonds, a \$37,500 note on a subordinated basis with the Bonds and a \$663,726 note on a parity basis with the Bonds. The note on a subordinated basis with the Bonds is in an amount to provide the required over-collateralization of the Bonds. The note on a parity basis with the Bonds is the excess of eligible accounts receivable sold over the sum of cash received and the subordinated note. These notes are included in other receivables in the accompanying combined balance sheet. Due to the nature of the patient accounts receivable sold, collectability of the subordinated and parity notes is not significantly impacted by credit risk.

The notes on a parity and subordinated basis represent the Division's allocated beneficial interest in the receivables subsequent to the sale. Cash received at the time of sale is recognized within the combined statement of cash flows as part of operating activities. Any subsequent cash received on the beneficial interest is recognized within the combined statement of cash flows as part of investing activities.

Directed Payment Program

During 2021, the Division began participating in Florida's Directed Payment Program, which is designed to offset a portion of unreimbursed Medicaid cost. Under this program, participating providers pay an assessment to a Local Provider Participation Fund (LPPF), which is used to fund the non-federal share of supplemental Medicaid payments. During 2024, the Division recognized supplemental Medicaid payments totaling \$337,364, which are included in net patient service revenue in the accompanying combined statement of operations and changes in net assets. Additionally, for the year ended December 31, 2024, the Division paid the LPPF assessment totaling \$233,606 and recognized it as other operating expense within the accompanying combined statement of operations and changes in net assets. At December 31, 2024, the Division had a related receivable of \$353,259 and a related payable of \$47,393, which are recorded in other receivables and estimated settlements to third parties, respectively, in the combined balance sheet.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

**AdventHealth – Florida
Division Hospitals**

Inventories

Inventories (primarily pharmaceuticals and medical supplies) are stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) method of valuation, or a methodology that closely approximates FIFO.

Property and Equipment

Property and equipment are reported on the basis of cost, except for those assets donated, impaired, or acquired under a business combination, which are recorded at fair value. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is computed primarily utilizing the straight-line method over the expected useful lives of the assets. Amortization of capitalized leased assets is included in depreciation expense and allowances for depreciation.

Goodwill

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the business acquired. These amounts are included in other assets (noncurrent) in the accompanying combined balance sheet and are evaluated for impairment when there is an indicator of impairment.

Goodwill consists of the following as of December 31, 2024:

Goodwill	\$ 78,626
Less: accumulated amortization	(38,776)
Goodwill, net	<u>\$ 39,850</u>

Goodwill is amortized over a period of ten years. Amortization expense for goodwill was \$7,989 for the year ended December 31, 2024, and is included in depreciation and amortization in the accompanying combined statement of operations and changes in net assets.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value.

Deferred Financing Costs

Direct financing costs are included as a direct reduction to the carrying amount of the related debt liability and are deferred and amortized over the remaining lives of the financings using the effective interest method.

Bond Discounts and Premiums

Bonds payable, including related original issue discounts and/or premiums, are included in long-term debt. Discounts and premiums are being amortized over the life of the bonds using the effective interest method.

Income Taxes

The Division follows the Income Taxes Topic of the Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), which prescribes the accounting for uncertainty in income tax positions recognized in financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

measurement of a tax position taken, or expected to be taken, in a tax return. There were no material uncertain tax positions as of December 31, 2024.

2. Cash Management Deposits

The Division, along with other member affiliates of the System, participates in a cash management program managed by the Parent Corporation. This cash management program maintains separate accounts for each hospital in the Division and member affiliates at one central bank. Cash management deposits have the general characteristics of demand deposits in that the Division may deposit additional funds at any time and also, effectively, may withdraw funds at any time without prior notice or penalty, subject to limitations and controls established by the Parent Corporation. Certain deposits are federally insured in limited amounts. Amounts are transferred each day to or from a central investment pool maintained by the Parent Corporation. Cash management deposits approximated \$7,635,208 at December 31, 2024, and are included in cash and cash management deposits in the accompanying combined balance sheet.

The central investment pool invests in marketable debt and equity securities and other investments, such as hedge funds and exchange-traded and over-the-counter derivative instruments. Investments include marketable securities with readily determinable fair values are reported at fair value, based on quoted market prices, and are designated as trading securities by the Parent Corporation. The Parent Corporation also invests in hedge funds, commingled funds, and private market funds, which determine fair value using net asset values (NAV). See Note 11 for the allocation of investments in the central investment pool. Changes in unrealized gains and losses are included in the Parent Corporation's investment return and allocated to the participants in the central investment pool in the period they occur.

Investment return is included within nonoperating losses, net in the accompanying combined statement of operations and changes in net assets and includes the Division's allocated share of the central investment pool's return, which includes interest and dividend income, realized gains and losses, and certain unrealized gains and losses.

Total investment return from the central investment pool allocation amounted to \$298,921 and consisted of the following for the year ended December 31, 2024:

Interest and dividend income	\$ 203,222
Net realized gains	101,869
Net change in unrealized gains and losses	(6,170)
	<u>\$ 298,921</u>

3. Property and Equipment

Property and equipment consisted of the following at December 31, 2024:

Land and improvements	\$ 781,085
Buildings and improvements	5,223,540
Equipment	<u>5,380,587</u>
	11,385,212
Less: accumulated depreciation	<u>(5,568,111)</u>
	5,817,101
Construction in progress	<u>465,347</u>
	<u>\$ 6,282,448</u>

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

Certain hospitals have entered into construction contracts or other commitments for which costs have been incurred and included in construction in progress. These and other committed projects will be financed through operations and proceeds of borrowings. The estimated costs to complete these projects approximated \$535,000 at December 31, 2024.

During periods of construction, interest costs are capitalized to the respective property accounts. Interest capitalized approximated \$8,000 for the year ended December 31, 2024.

The Division capitalizes the cost of acquired software for internal use. Any internal costs incurred in the process of developing and implementing software are expensed or capitalized, depending primarily on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Capitalized software costs and accumulated amortization expense, which are included in property and equipment in the accompanying combined balance sheet, at December 31, 2024 were as follows:

Capitalized software costs	\$ 99,451
Less: accumulated amortization	(93,656)
Capitalized software costs, net	<u>\$ 5,795</u>

Estimated amortization expense related to capitalized software costs for the next five years and thereafter is as follows:

2025	\$ 1,372
2026	1,026
2027	562
2028	385
2029	382
Thereafter	2,068

4. Other Assets

Other assets consisted of the following at December 31, 2024:

Prepaid information technology services (Note 10)	\$ 304,547
Goodwill	39,850
Interest in net assets of unconsolidated foundations	74,133
Notes and other receivables	16,010
Other noncurrent assets	<u>131,279</u>
	<u>\$ 565,819</u>

5. Leases

The Division's leases primarily consist of real estate and medical equipment. The Division determines whether an arrangement is a lease at contract inception. Lease assets and lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the Division's leases do not provide an implicit rate of return, the Division uses a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments. Lease assets exclude lease incentives received.

Notes to Combined Financial Statements

*For the year ended
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(dollars in thousands)*

Most leases include one or more options to renew, with renewal terms that can extend the lease term from three months to thirty years. The exercise of such lease renewal options is at the Division's sole discretion. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Division will exercise that option. Certain leases also include options to purchase the leased asset. The depreciable life of assets and leasehold improvements is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Leasehold improvements associated with lease agreements between the Division's controlled affiliates are amortized over their useful life.

The Division does not separate lease and non-lease components, except for certain medical equipment leases. Leases with a lease term of 12 months or less at commencement are not recorded on the combined balance sheet. Lease expense for these arrangements is recognized on a straight-line basis over the lease term.

Operating and finance leases consist of the following as of December 31, 2024:

Operating Leases

Operating lease assets	\$ 227,348
Other current liabilities	\$ 34,562
Operating lease liabilities, net of current portion	222,063
Total operating lease liabilities	<u>\$ 256,625</u>

Finance Leases

Property and equipment	\$ 26,950
Current maturities of long-term debt	\$ 17,247
Long-term debt, net of current maturities	5,367
Total finance lease liabilities	<u>\$ 22,614</u>

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense for the year ended December 31, 2024 are as follows:

Operating lease expense	\$ 61,704
Variable lease expense	14,127
Short-term lease expense	15,883
Finance lease expense	
Amortization of lease assets	1,139
Interest on lease liabilities	433
Total lease expense	<u>\$ 93,286</u>

Lease term and discount rate as of December 31, 2024 are as follows:

Weighted average remaining lease term:	
Operating leases	12.1 years
Finance leases	9.6 years
Weighted average discount rate:	
Operating leases	3.2%
Finance leases	3.9%

Notes to Combined Financial Statements

*For the year ended
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(dollars in thousands)*

The following table summarizes the maturity of lease liabilities under finance and operating leases for the next five years and thereafter, as of December 31, 2024:

	Operating Leases	Finance Leases	Total
2025	\$ 44,343	\$ 17,390	\$ 61,733
2026	38,528	614	39,142
2027	36,029	604	36,633
2028	32,244	600	32,844
2029	23,906	600	24,506
Thereafter	151,638	4,500	156,138
Total lease payments	326,688	24,308	<u>\$ 350,996</u>
Less: imputed interest	(70,063)	(1,694)	
Total lease liabilities	<u>\$ 256,625</u>	<u>\$ 22,614</u>	

Supplemental cash flow information related to leases for the year ended December 31, 2024 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 51,453
Operating cash flows from finance leases	325
Financing cash flows from finance leases	1,225
Lease assets obtained in exchange for new operating lease liabilities	19,112
Lease assets obtained in exchange for new finance lease liabilities	19,327

6. Debt Obligations

Allocation of Debt

Certain hospitals within the Division and certain other affiliates controlled by the Parent Corporation comprise the AdventHealth Obligated Group (Obligated Group). Debt and the related proceeds are allocated to Obligated Group members based on capital funding needs and are subsequently managed under a pooled debt methodology. The debt is allocated in the same ratio of fixed-rate to variable-rate debt that exists for the Obligated Group's total obligations and interest expense is allocated using a weighted average interest rate based on the total interest expense of the Obligated Group.

Long-term debt consisted of the following at December 31, 2024:

Fixed-rate hospital revenue bonds, interest rates from 2.15% to 5.00%, payable through 2059	\$ 1,758,616
Finance leases payable	22,614
Unamortized original issue premium, net	120,051
Deferred financing costs	<u>(11,279)</u>
	1,890,002
Less: current maturities	<u>(47,841)</u>
	<u>\$ 1,842,161</u>

Notes to Combined Financial Statements

*For the year ended
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(dollars in thousands)*

Master Trust Indenture

Long-term debt has been issued primarily on a tax-exempt basis. The Obligated Group members are jointly and severally liable under a Master Trust Indenture (MTI) to make all payments required with respect to obligations under the MTI. Total obligations under the MTI were approximately \$3,777,000 at December 31, 2024. At December 31, 2024, the Obligated Group had total net assets of approximately \$16,558,000. The MTI requires certain covenants and reporting requirements to be met by the System and the Obligated Group. The obligations are secured under the MTI, which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings.

Variable-Rate Bonds and Sources of Liquidity

Certain variable-rate bonds, totaling \$243,579 as of December 31, 2024, are classified as short-term financings in the accompanying combined balance sheet, and may be put to the Obligated Group at the option of the bondholder. The variable-rate bond indentures generally provide the Obligated Group the option to remarket the obligations at the then-prevailing market rates for periods ranging from one day to the maturity dates. The obligations have been primarily marketed for seven-day periods during 2024, with annual interest rates ranging from 1.81% to 4.82%. Additionally, the Obligated Group paid fees, such as remarketing fees, on variable-rate bonds during 2024.

The Parent Corporation has various sources of liquidity, including a \$750,000 revolving credit agreement (Revolving Note) with a syndicate of banks and a \$500,000 commercial paper program (CP Program) issued by the Obligated Group. The Revolving Note, which expires in October 2027, is available for letters of credit, liquidity facilities, and general corporate needs, including working capital, capital expenditures, and acquisitions and has certain prime rate and SOFR-based pricing options. As of December 31, 2024, no amounts were outstanding under the Revolving Note. At December 31, 2024, the Parent Corporation had approximately \$3,500 committed to letters of credit under the Revolving Note. The Obligated Group's CP Program allows for up to \$500,000 of taxable, commercial paper notes (CP Notes) to be issued for general corporate purposes at an interest rate to be determined at the time of issuance. No amounts were outstanding under the CP Program as of December 31, 2024. Subsequent to December 31, 2024, the Obligated Group made a draw of \$250,000 on the CP Program.

2024 Debt Transactions

During 2024, the Obligated Group issued \$185,495 of tax-exempt, fixed-rate put bonds at a premium with final maturity dates of 2059 and a stated interest rate of 5.00%. The Obligated Group issued \$71,365 of tax-exempt, fixed-rate bonds at a premium with maturity dates of 2029, 2034, and 2039 and a stated interest rate of 5.00%. The bond proceeds were used for reimbursement of prior capital expenditures and to refund a portion of previously issued bonds. There were immaterial impacts to the Obligated Group's financial statements as a result of the early extinguishment of debt. In June 2024, the Parent Corporation repaid the \$100,000 Revolving Note that was outstanding as of December 31, 2023.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

Debt Maturities

The following represents the maturities of long-term debt, excluding finance leases disclosed in Note 5, for the next five years and the years thereafter:

2025	\$	30,594
2026		41,962
2027		40,667
2028		43,733
2029		35,186
Thereafter		1,566,474

Cash paid for interest, net of amounts capitalized, approximated \$69,000 during the year ended December 31, 2024.

7. Retirement Plans

Defined Contribution Plan

The Division participates with other Seventh-day Adventist healthcare entities in a defined contribution retirement plan (Plan) that covers substantially all full-time employees who are at least 18 years of age. The Plan is exempt from the Employee Retirement Income Security Act of 1974 (ERISA). The Plan provides, among other things, that the employer contribute 2.6% of wages, plus additional amounts for highly compensated employees. Additionally, the Plan provides that the employer match 50% of an employee's contributions up to 4% of the contributing employee's wages, resulting in a maximum available match of 2% of the contributing employee's wages each year.

Contributions to the Plan are included in employee compensation in the accompanying combined statement of operations and changes in net assets in the amount of \$142,739 for the year ended December 31, 2024.

Defined Benefit Plan – Multiemployer Plan

Prior to January 1, 1992, certain of the hospitals within the Division participated in a multiemployer, noncontributory, defined benefit retirement plan, the Seventh-day Adventist Hospital Retirement Plan Trust (Old Plan) sponsored and administered by the North American Division of the General Conference of Seventh-day Adventists that is exempt from ERISA. The employer identification number of the Old Plan is 52-2000393. The risks of participating in multiemployer plans are different from single-employer plans in that: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (c) if an entity chooses to stop participating in the multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability.

During 1992, the Old Plan was frozen, and the Plan was established. The Division, along with the other participants in the Old Plan, may be required to make contributions to the Old Plan to fund any difference between the present value of the Old Plan benefits and the fair value of the Old Plan assets. As of December 31, 2023, there was an estimated funding shortfall related to the Old Plan and future funding requirements were considered probable. During 2024, the administrators of the Old Plan notified the Parent Corporation of a required contribution of approximately \$16,000. The required contribution was funded by the Parent Corporation in July 2024.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

Based on the most recently available unaudited estimate of the Old Plan's funding shortfall, future funding requirements are probable but have not been requested by the Old Plan administrators. Management believes the impact of any such future funding requirements will not have a material adverse effect on the Division's combined financial statements.

The most recent available plan assets and actuarially determined benefit obligation for the Old Plan, which includes all participating employers, is as of January 1, 2024, and is as follows:

Total plan assets	\$ 328,334
Actuarial present value of accumulated plan benefits (unaudited)	688,585
Funded status (unaudited)	48%

Defined Benefit Plan – Frozen Pension Plans

Certain of the Division's entities sponsored noncontributory, defined benefit pension plans (Pension Plans) that have been frozen such that no new benefits accrue. The following table sets forth the remaining combined projected and accumulated benefit obligations and the assets of the Pension Plans at December 31, 2024, the components of net periodic pension cost for the year then ended, and a reconciliation of the amounts recognized in the accompanying combined financial statements:

Accumulated benefit obligation, end of year	<u>\$ 94,600</u>
Change in projected benefit obligation:	
Projected benefit obligation, beginning of year	\$ 102,418
Interest cost	5,187
Benefits paid	(8,209)
Actuarial gain	<u>(4,796)</u>
Projected benefit obligation, end of year	94,600
Change in plan assets:	
Fair value of plan assets, beginning of year	92,064
Actual return on plan assets	(416)
Employer contributions	9,034
Benefits paid	<u>(8,209)</u>
Fair value of plan assets, end of year	<u>92,473</u>
Deficiency of fair value of plan assets over projected benefit obligation, included in other noncurrent liabilities	<u>\$ (2,127)</u>

No plan assets are expected to be returned to the Division during the fiscal year ending December 31, 2025.

Included in net assets without donor restrictions at December 31, 2024 are unrecognized actuarial losses of \$16,448 which have not yet been recognized in net periodic pension cost.

Changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the year ended December 31, 2024 include:

Net actuarial losses	\$ (117)
Amortization of net actuarial losses	264
Total increase in net assets without donor restrictions	<u>\$ 147</u>

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

The components of net periodic pension cost for the year ended December 31, 2024 were as follows:

Interest cost	\$ 5,187
Expected return on plan assets	(4,497)
Recognized net actuarial losses	264
Net periodic pension cost	<u>\$ 954</u>

The assumptions used to determine the benefit obligation and net periodic pension cost for the Pension Plans for the year ended December 31, 2024 are set forth below:

Used to determine projected benefit obligation

Weighted average discount rate	5.75%
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Used to determine pension cost

Weighted average discount rate	5.25%
Weighted average expected long-term rate of return on plan assets	5.00%

The Pension Plans' assets are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. The Pension Plans' assets are managed solely in the interest of the participants and their beneficiaries. Diversification is achieved by allocating funds to various asset classes and investment styles and by retaining multiple investment managers with complementary styles, philosophies, and approaches.

During 2024, the weighted average discount rate, which is determined using a cash flow matching approach, increased to 5.75%, resulting in an actuarial loss of \$4,607. The expected long-term rate of return on the Pension Plans' assets is based on historical and projected rates of return for current and planned asset categories and the target allocation in the investment portfolio. As of December 31, 2024, the target investment allocation for the Pension Plans was 100% debt securities.

The following table presents the Pension Plans' financial instruments as of December 31, 2024, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 11:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,700	\$ 1,700	\$ —	\$ —
Debt securities				
U.S. government agencies and sponsored entities	5,180	—	5,180	—
Corporate bonds	85,593	—	85,593	—
Total plan assets	<u>\$ 92,473</u>	<u>\$ 1,700</u>	<u>\$ 90,773</u>	<u>\$ —</u>

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

The following represents the expected benefit plan payments for the next five years and the five years thereafter:

2025	\$ 7,232
2026	7,356
2027	7,513
2028	7,565
2029	7,603
2030-2034	37,171

8. General and Professional Liability Program

The Division participates in a self-insured revocable trust (Trust) that covers their respective employees for professional and general liability claims within a specified level (Self-Insured Retention). For the majority of the Division's operations, a Self-Insured Retention of \$15,000 was established for the year ended December 31, 2003 and was increased to \$20,000 effective April 1, 2020. Claims above the Self-Insured Retention are insured by claims-made coverage issued by Adhealth Limited (Adhealth), a Bermuda-domiciled captive insurance company. Adhealth has purchased reinsurance through commercial insurers for the excess limits of coverage.

The assets and liabilities related to the Trust are recorded in the Parent Corporation's consolidated financial statements and the costs are allocated to the Trust participants (Note 10).

9. Commitments and Contingencies

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. There is significant government activity within the healthcare industry with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Compliance with such laws and regulations can be subject to future review and interpretation, as well as regulatory actions unknown or unasserted at this time. Management assesses the probable outcome of unresolved litigation and investigations and records contingent liabilities reflecting estimated liability exposure.

In addition, certain of the Division's hospitals are involved in litigation and other regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the Division's combined financial statements, taken as a whole.

10. Transactions With Related Organizations

Certain transactions are made with the Parent Corporation on a routine basis. These transactions are composed of management fees (including fees for management and other services provided by the Parent Corporation), information technology services, and centralized shared services, which are disclosed as corporate services in Note 13. Additionally, the Division records allocated amounts for medical malpractice, workers' compensation, and other fees (including legal fees, taxes, professional fees, etc., that are initially paid for by the Parent Corporation).

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

The Division also participates in a self-insured pool that covers the System's employees for health benefits (Health Insurance Pool). The assets and liabilities of the Health Insurance Pool are recorded in the Parent Corporation's consolidated financial statements and the costs, including related administrative fees, are allocated to the participants of the program.

Allocated costs, which are included within total operating expenses in the accompanying combined statements of operations and changes in net assets, consist of the following for the year ended December 31, 2024:

Employee health insurance	\$ 534,327
Medical malpractice insurance	98,929
Brand and marketing services	23,092
Workers' compensation insurance	17,464
Other fees	128,414
	<u>\$ 802,226</u>

For the year ended December 31, 2024, the Division transferred \$77,405 to the Parent Corporation and \$5,717 to affiliates to assist in funding various operating and capital needs.

Receivables from and payables to related organizations are principally related to the Parent Corporation and other affiliated organizations. These amounts consist of the following at December 31, 2024:

Receivables from related organizations included in other receivables and other assets	\$ 30,223
Payables to related organizations included in other current liabilities	283,738

The Division pays professional fees to an affiliate for physician services related to physicians employed by the affiliate. Fees paid during 2024 approximated \$754,000 and are primarily included in nonoperating losses, net in the accompanying combined statement of operations and changes in net assets.

The Division has prepaid for certain information technology services to a related organization. The amount paid during 2024 was approximately \$84,000. The unamortized portion of the prepaid fees is included in other current assets and other assets (Note 4) in the accompanying combined balance sheet and will be amortized in future years.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

11. Fair Value Measurements

The Division categorizes, for disclosure purposes, assets and liabilities measured at fair value, on a recurring basis, into a three-tier fair value hierarchy. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement, which should be determined based on assumptions that would be made by market participants.

For all investments measured at fair value, the hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Level inputs are defined as follows:

Level 1 – based on unadjusted quoted prices for identical assets or liabilities in an active market that the Division has the ability to access.

Level 2 – based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

Level 3 – based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The Division has no financial assets or financial liabilities with significant Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The central investment pool has other investments that are valued using NAV (Note 2) as a practical expedient and are excluded from the three-tier hierarchy. These investments valued using NAV represent 34% of the central investment pool at December 31, 2024. The investments included within the following table are measured at fair value and represent the remaining 66% of the central investment pool at December 31, 2024.

Notes to Combined Financial Statements

For the year ended
December 31, 2024
(dollars in thousands)

Financial assets measured at fair value on a recurring basis within the central investment pool (Note 2) and allocated trustee-held funds at December 31, 2024 were measured based on inputs categorized as follows:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	22%	11%	11%	–%
Debt securities				
U.S. government agencies and sponsored entities	23	–	23	–
Corporate bonds	1	–	1	–
Short-term investments	2	–	2	–
Exchange-traded and mutual funds				
Domestic equity	29	29	–	–
Fixed income	23	23	–	–
Total	100%	63%	37%	–%

Within the central investment pool, the fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 financial assets were determined as follows:

Cash equivalents, U.S. government agencies and sponsored entities, corporate bonds, and short-term investments – These Level 2 securities were valued through the use of third-party pricing services that use evaluated bid prices adjusted for specific bond characteristics and market sentiment.

12. Liquidity and Available Resources

The Division's primary cash requirements are paying operating expenses, servicing debt and capital expenditures related to the expansion and renovation of existing hospitals. Primary cash sources are cash flows from operating activities. In addition to the Division's cash flows from operations, the System has access to public and private debt markets and maintains a revolving credit agreement and commercial paper program, as described in Note 6.

The Division had 290 days cash on hand at December 31, 2024. Days cash on hand is calculated as cash and cash management deposits divided by daily operating and nonoperating expenses (excluding depreciation and amortization expense).

The Division's financial assets also consist of patient accounts receivable totaling \$739,311 and other receivables totaling \$929,800 as of December 31, 2024. Other receivables are primarily composed of the notes associated with the Division's sale of patient accounts receivable, which is more fully described in Note 1. The Division's financial assets are available as its general expenditures, liabilities, and other obligations come due.

Notes to Combined Financial Statements

*For the year ended
December 31, 2024
(dollars in thousands)*

13. Functional Expenses

The Division's resources and activities are primarily related to providing healthcare services. Corporate services include certain administration, finance and accounting, human resources, legal, and other functions provided by the Parent Corporation.

Expenses by functional classification for the year ended December 31, 2024 consist of the following:

	Healthcare Services	Corporate Services	Total
Employee compensation	\$ 4,740,208	\$ —	\$ 4,740,208
Purchased services and professional fees	1,324,312	631,138	1,955,450
Supplies	2,069,076	—	2,069,076
Other	1,442,653	—	1,442,653
Total	<u>\$ 9,576,249</u>	<u>\$ 631,138</u>	<u>\$ 10,207,387</u>

14. Subsequent Events

The Division evaluated events and transactions occurring subsequent to December 31, 2024 through March 12, 2025, the date the accompanying combined financial statements were issued. During this period, there were no subsequent events that required recognition in the accompanying combined financial statements. Nonrecognized subsequent events that required disclosure include the activity related to the CP Program draw discussed in Note 6. There were no additional nonrecognized subsequent events that required disclosure.

Supplementary Information

AdventHealth - Florida Division Hospitals

Combining Balance Sheet

December 31, 2024

	AdventHealth Orlando	AdventHealth Heart of Florida	AdventHealth Lake Wales	AdventHealth Daytona Beach	AdventHealth DeLand	AdventHealth Fish Memorial	AdventHealth Palm Coast	AdventHealth Palm Coast Parkway	AdventHealth New Smyrna Beach
<i>(dollars in thousands)</i>									
ASSETS									
Current Assets									
Cash and cash management deposits	\$ 5,215,813	\$ 154,560	\$ 14,110	\$ 256,137	\$ 218,643	\$ 162,284	\$ 268,780	\$ 94,754	\$ 26,757
Patient accounts receivable	228,370	39,137	10,694	75,703	25,332	31,131	28,596	14,510	18,979
Estimated settlements from third parties	319,995	14,080	6,110	16,638	8,398	10,064	5,077	1,284	4,638
Other receivables	718,990	4,237	252	4,595	3,334	5,046	193,539	6	4,488
Inventories	108,450	7,759	1,696	12,069	3,308	4,283	3,912	3,874	4,347
Prepaid expenses and other current assets	53,270	8,886	3,666	11,167	4,343	4,856	4,778	921	4,300
	<u>6,644,888</u>	<u>228,659</u>	<u>36,528</u>	<u>376,309</u>	<u>263,358</u>	<u>217,664</u>	<u>504,682</u>	<u>115,349</u>	<u>63,509</u>
Property and Equipment	3,346,776	173,647	27,044	305,151	47,280	155,262	115,055	146,842	62,403
Operating Lease Assets	164,356	3,913	1,742	8,886	1,347	2,262	1,648	1,330	1,362
Other Assets	282,949	20,929	2,802	60,600	6,294	7,278	12,556	696	11,218
	<u>\$ 10,438,969</u>	<u>\$ 427,148</u>	<u>\$ 68,116</u>	<u>\$ 750,946</u>	<u>\$ 318,279</u>	<u>\$ 382,466</u>	<u>\$ 633,941</u>	<u>\$ 264,217</u>	<u>\$ 138,492</u>
LIABILITIES AND NET ASSETS									
Current Liabilities									
Accounts payable and accrued liabilities	\$ 456,275	\$ 34,765	\$ 7,338	\$ 63,107	\$ 26,029	\$ 27,863	\$ 24,534	\$ 4,677	\$ 12,382
Estimated settlements to third parties	125,627	200	242	6,700	4,388	4,368	2,510	595	4,554
Other current liabilities	330,582	12,875	5,060	16,621	9,634	7,378	12,306	196,559	8,818
Short-term financings	100,879	2,472	2,060	12,546	2,603	4,888	5,902	9,144	1,558
Current maturities of long-term debt	29,745	310	259	1,576	327	614	743	1,148	209
	<u>1,043,108</u>	<u>50,622</u>	<u>14,959</u>	<u>100,550</u>	<u>42,981</u>	<u>45,111</u>	<u>45,995</u>	<u>212,123</u>	<u>27,521</u>
Long-Term Debt, net of current maturities	762,966	18,640	15,534	94,606	19,630	36,861	44,510	68,950	11,765
Operating Lease Liability, net of current portion	169,469	3,310	1,780	8,631	995	1,697	1,208	1,012	956
Other Noncurrent Liabilities	42,341	—	—	10,031	120	—	61	—	728
	<u>2,017,884</u>	<u>72,572</u>	<u>32,273</u>	<u>213,818</u>	<u>63,726</u>	<u>83,669</u>	<u>91,774</u>	<u>282,085</u>	<u>40,970</u>
Net Assets									
Net assets without donor restrictions	8,314,236	354,576	35,843	530,752	253,988	298,003	533,317	(17,868)	96,132
Net assets with donor restrictions	106,849	—	—	6,376	565	794	8,850	—	1,390
	<u>8,421,085</u>	<u>354,576</u>	<u>35,843</u>	<u>537,128</u>	<u>254,553</u>	<u>298,797</u>	<u>542,167</u>	<u>(17,868)</u>	<u>97,522</u>
Commitments and Contingencies	<u>\$ 10,438,969</u>	<u>\$ 427,148</u>	<u>\$ 68,116</u>	<u>\$ 750,946</u>	<u>\$ 318,279</u>	<u>\$ 382,466</u>	<u>\$ 633,941</u>	<u>\$ 264,217</u>	<u>\$ 138,492</u>

(dollars in thousands)

ASSETS

Current Assets

	AdventHealth Waterman	AdventHealth Tampa	AdventHealth Carrollwood	AdventHealth Connerton	AdventHealth Dade City	AdventHealth Riverview	AdventHealth Sebring	AdventHealth Wauchula	AdventHealth North Pinellas
Cash and cash management deposits	\$ 397,023	\$ 41,280	\$ 138,006	\$ —	\$ 26,621	\$ 61,568	\$ 198,735	\$ 33,830	\$ —
Patient accounts receivable	48,518	43,342	10,169	11,643	13,397	10,160	8,159	5,354	21,155
Estimated settlements from third parties	14,322	43,283	9,375	20	4,456	—	14,470	2,329	5,789
Other receivables	1,524	79,993	24,080	1,196	432	—	25,680	7	774
Inventories	6,513	22,067	5,226	196	2,368	4,247	4,322	75	4,833
Prepaid expenses and other current assets	4,583	16,492	5,004	601	2,647	1,693	4,938	460	7,854
	<u>472,483</u>	<u>246,457</u>	<u>191,860</u>	<u>13,656</u>	<u>49,921</u>	<u>77,668</u>	<u>256,304</u>	<u>42,055</u>	<u>40,405</u>
Property and Equipment	180,853	553,989	174,742	34,451	21,665	261,359	77,556	19,832	80,288
Operating Lease Assets	2,643	12,619	2,000	380	3,262	228	4,686	7	2,057
Other Assets	59,258	35,784	9,873	1,634	2,823	—	11,327	4	8,685
	<u>\$ 715,237</u>	<u>\$ 848,849</u>	<u>\$ 378,475</u>	<u>\$ 50,121</u>	<u>\$ 77,671</u>	<u>\$ 339,255</u>	<u>\$ 349,873</u>	<u>\$ 61,898</u>	<u>\$ 131,435</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued liabilities	\$ 25,239	\$ 86,173	\$ 17,380	\$ 5,610	\$ 8,452	\$ 10,773	\$ 42,235	\$ 1,230	\$ 15,350
Estimated settlements to third parties	6,849	5,151	2,375	314	728	—	5,507	3,818	3,076
Other current liabilities	21,605	34,276	8,617	4,075	10,681	4,163	18,199	1,088	62,854
Short-term financings	8,163	31,649	5,685	2,086	1,039	15,529	6,157	—	4,961
Current maturities of long-term debt	1,025	3,975	714	262	130	1,950	775	—	781
	<u>62,881</u>	<u>161,224</u>	<u>34,771</u>	<u>12,347</u>	<u>21,030</u>	<u>32,415</u>	<u>72,873</u>	<u>6,136</u>	<u>87,022</u>
Long-Term Debt, net of current maturities	61,559	238,661	42,869	15,733	7,832	117,104	46,428	4	40,507
Operating Lease Liability, net of current portion	1,865	10,178	1,553	320	3,177	177	3,598	151	1,329
Other Noncurrent Liabilities	37	2,076	426	15	—	—	59	1	234
	<u>126,342</u>	<u>412,139</u>	<u>79,619</u>	<u>28,415</u>	<u>32,039</u>	<u>149,696</u>	<u>122,958</u>	<u>6,292</u>	<u>129,092</u>
Net Assets									
Net assets without donor restrictions	545,999	424,885	296,305	21,706	45,632	188,937	226,258	54,819	(1,227)
Net assets with donor restrictions	42,896	11,825	2,551	—	—	622	657	787	3,570
	<u>588,895</u>	<u>436,710</u>	<u>298,856</u>	<u>21,706</u>	<u>45,632</u>	<u>189,559</u>	<u>226,915</u>	<u>55,606</u>	<u>2,343</u>

Commitments and Contingencies

	<u>\$ 715,237</u>	<u>\$ 848,849</u>	<u>\$ 378,475</u>	<u>\$ 50,121</u>	<u>\$ 77,671</u>	<u>\$ 339,255</u>	<u>\$ 349,873</u>	<u>\$ 61,898</u>	<u>\$ 131,435</u>
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	AdventHealth Ocala	AdventHealth Wesley Chapel	AdventHealth Zephyrhills	Elimination & Combining Entries	Combined Total
<i>(dollars in thousands)</i>					
ASSETS					
Current Assets					
Cash and cash management deposits	\$ 25,624	\$ 230,608	\$ 131,746	\$ —	\$ 7,696,879
Patient accounts receivable	68,582	18,449	7,931	—	739,311
Estimated settlements from third parties	25,376	4,693	7,320	—	517,717
Other receivables	759	36,572	17,920	(193,624)	929,800
Inventories	11,805	10,196	5,073	—	226,619
Prepaid expenses and other current assets	8,855	4,780	5,312	—	159,406
	<u>141,001</u>	<u>305,298</u>	<u>175,302</u>	<u>(193,624)</u>	<u>10,269,732</u>
Property and Equipment	205,011	226,687	66,555	—	6,282,448
Operating Lease Assets	3,404	9,873	1,196	(1,853)	227,348
Other Assets	14,529	9,766	6,814	—	565,819
	<u>\$ 363,945</u>	<u>\$ 551,624</u>	<u>\$ 249,867</u>	<u>\$ (195,477)</u>	<u>\$ 17,345,347</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 39,559	\$ 32,942	\$ 23,914	\$ (2)	\$ 965,825
Estimated settlements to third parties	4,195	5,424	3,809	—	190,430
Other current liabilities	23,816	20,920	4,413	(194,006)	620,534
Short-term financings	9,582	11,534	5,142	—	243,579
Current maturities of long-term debt	1,203	1,449	646	—	47,841
	<u>78,355</u>	<u>72,269</u>	<u>37,924</u>	<u>(194,008)</u>	<u>2,068,209</u>
Long-Term Debt, net of current maturities	72,254	86,976	38,772	—	1,842,161
Operating Lease Liability, net of current portion	2,644	8,611	863	(1,461)	222,063
Other Noncurrent Liabilities	—	—	—	—	56,129
	<u>153,253</u>	<u>167,856</u>	<u>77,559</u>	<u>(195,469)</u>	<u>4,188,562</u>
Net Assets					
Net assets without donor restrictions	209,663	383,086	171,681	(8)	12,966,715
Net assets with donor restrictions	1,029	682	627	—	190,070
	<u>210,692</u>	<u>383,768</u>	<u>172,308</u>	<u>(8)</u>	<u>13,156,785</u>
Commitments and Contingencies	<u>\$ 363,945</u>	<u>\$ 551,624</u>	<u>\$ 249,867</u>	<u>\$ (195,477)</u>	<u>\$ 17,345,347</u>

AdventHealth - Florida Division Hospitals

Combining Statement of Revenue and Expenses

Year ended December 31, 2024

	AdventHealth Orlando	AdventHealth Heart of Florida	AdventHealth Lake Wales	AdventHealth Daytona Beach	AdventHealth DeLand	AdventHealth Fish Memorial	AdventHealth Palm Coast	AdventHealth Palm Coast Parkway	AdventHealth New Smyrna Beach
<i>(dollars in thousands)</i>									
Revenue									
Net patient service revenue	\$ 7,017,471	\$ 325,684	\$ 108,240	\$ 706,311	\$ 262,814	\$ 309,672	\$ 250,395	\$ 123,447	\$ 204,017
Other	98,187	3,923	821	21,519	4,857	6,298	1,389	512	5,689
Total operating revenue	7,115,658	329,607	109,061	727,830	267,671	315,970	251,784	123,959	209,706
Expenses									
Employee compensation	2,430,464	113,959	47,338	267,138	102,225	117,751	98,231	60,574	78,751
Supplies	1,106,691	47,834	10,938	147,829	33,077	39,817	32,199	15,742	39,280
Purchased services	284,510	24,390	9,432	27,606	16,099	24,842	15,203	7,757	14,419
Professional fees	625,790	33,827	13,529	58,951	24,675	31,918	26,623	17,889	21,011
Other	523,790	23,051	8,390	60,736	15,387	20,815	11,074	3,159	14,371
Interest	23,040	518	551	3,028	696	1,308	1,283	1,035	418
Depreciation and amortization	256,937	12,367	3,125	22,599	5,390	11,714	8,934	8,929	5,023
Total operating expenses	5,251,222	255,946	93,303	587,887	197,549	248,165	193,547	115,085	173,273
Income (Loss) from Operations	1,864,436	73,661	15,758	139,943	70,122	67,805	58,237	8,874	36,433
Nonoperating (Losses) Gains, Net	(240,008)	(8,610)	(2,585)	(44,985)	(1,361)	(5,497)	(1,812)	(9,373)	(6,416)
Excess (Deficiency) of Revenue and Gains over Expenses and Losses	\$ 1,624,428	\$ 65,051	\$ 13,173	\$ 94,958	\$ 68,761	\$ 62,308	\$ 56,425	\$ (499)	\$ 30,017

(dollars in thousands)

Revenue

	AdventHealth Waterman	AdventHealth Tampa	AdventHealth Carrollwood	AdventHealth Connerton	AdventHealth Dade City	AdventHealth Riverview	AdventHealth Sebring	AdventHealth Wauchula	AdventHealth North Pinellas
Net patient service revenue	\$ 440,743	\$ 980,869	\$ 291,708	\$ 49,534	\$ 110,242	\$ 14,369	\$ 328,258	\$ 37,606	\$ 182,541
Other	-	5,233	6,264	401	469	80	1,709	650	3,254
Total operating revenue	440,743	986,102	297,972	49,935	110,711	14,449	329,967	38,256	185,795

Expenses

Employee compensation	186,313	357,591	97,859	31,145	49,116	20,807	134,505	14,193	73,909
Supplies	67,493	175,933	53,330	4,750	12,842	6,025	40,608	2,797	25,926
Purchased services	29,030	73,921	23,399	4,050	9,636	3,563	15,909	1,405	22,946
Professional fees	38,629	102,957	33,014	5,136	11,224	4,195	55,773	6,895	26,748
Other	20,651	63,693	14,689	3,013	8,247	673	19,558	2,898	16,292
Interest	2,184	8,174	1,521	558	278	-	1,628	19	3,051
Depreciation and amortization	17,476	46,850	13,396	1,815	3,418	5,845	8,979	1,977	6,771
Total operating expenses	361,776	829,119	237,208	50,467	94,761	41,108	276,960	30,184	175,643

Income (Loss) from Operations

	78,967	156,983	60,764	(532)	15,950	(26,659)	53,007	8,072	10,152
Nonoperating (Losses) Gains, Net	(6,963)	(72,909)	(8,850)	(131)	(848)	(6,891)	(9,407)	1,978	(12,568)

Excess (Deficiency) of Revenue and Gains over Expenses and Losses

	\$ 72,004	\$ 84,074	\$ 51,914	\$ (663)	\$ 15,102	\$ (33,550)	\$ 43,600	\$ 10,050	\$ (2,416)
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	AdventHealth Ocala	AdventHealth Wesley Chapel	AdventHealth Zephyrhills	Elimination & Combining Entries	Combined Total
<i>(dollars in thousands)</i>					
Revenue					
Net patient service revenue	\$ 541,192	\$ 449,044	\$ 273,723	\$ -	\$ 13,007,880
Other	4,153	1,935	-	(14,346)	152,997
Total operating revenue	545,345	450,979	273,723	(14,346)	13,160,877
Expenses					
Employee compensation	195,208	149,919	113,212	-	4,740,208
Supplies	93,051	72,220	40,694	-	2,069,076
Purchased services	36,961	28,032	19,815	(13,418)	679,507
Professional fees	70,644	37,162	29,353	-	1,275,943
Other	33,649	23,299	14,998	(915)	901,518
Interest	2,412	3,243	1,246	-	56,191
Depreciation and amortization	19,555	15,878	7,965	1	484,944
Total operating expenses	451,480	329,753	227,283	(14,332)	10,207,387
Income (Loss) from Operations	93,865	121,226	46,440	(14)	2,953,490
Nonoperating (Losses) Gains, Net	(30,073)	165	(9,602)	1	(476,745)
Excess (Deficiency) of Revenue and Gains over Expenses and Losses	<u>\$ 63,792</u>	<u>\$ 121,391</u>	<u>\$ 36,838</u>	<u>\$ (13)</u>	<u>\$ 2,476,745</u>

Report of Independent Auditors

The Board of Directors
Adventist Health System Sunbelt Healthcare Corporation
d/b/a AdventHealth

Opinion

We have audited the accompanying combined financial statements of AdventHealth – Florida Division Hospitals (the Division), which comprise the combined balance sheet as of December 31, 2024, and the related combined statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Division at December 31, 2024, and the combined results of its operations and changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Division and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit

AdventHealth – Florida
Division Hospitals

procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying consolidating details and other supplementary information on pages 24 through 29 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst + Young LLP

Orlando, Florida
March 12, 2025



COPCN Application Review Checklist

Department of Public Safety

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Attachment 3

Certificates of Insurance or Self-Insurance

Attached Yes ☒ / No ☐

CERTIFICATE OF COVERAGE		Issue Date: 04/01/2025				
AdventHealth Risk Management 900 Hope Way Altamonte Springs, FL 32714 (407) 357-2290		This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This certificate does not amend, extend or alter the coverage afforded by the AH Liability Trust or any insurance policies listed below.				
Named Participant:		COMPANIES AFFORDING COVERAGE				
AdventHealth Port Charlotte, Inc. d/b/a AdventHealth Port Charlotte 2500 Harbor Blvd Port Charlotte, FL 33952		Company Letter A: AH Liability Trust				
		Company Letter F: Safety National Casualty Corporation				
		Company Letter G: AH Workers Compensation Liability Trust				
		Coverages				
This is to certify that the coverage below has been issued to the Named Participant listed above for the time period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of such policies. Limits shown may have been reduced by paid claims.						
Co. Ltr	Type of Insurance	Policy Number	Policy Effective	Policy Expiration	Limits	
A	X Hospital Professional/Comprehensive General Liability & MCO E&O	8528-2025	04/01/2025	04/01/2026	Each Occurrence Annual Aggregate	\$1,000,000 \$3,000,000
A	X Claims Made (HPL & Managed Care Errors)					
A	X Occurrence (CGL Only)					
F	X Automobile Liability- All Vehicles	CA6675747	07/01/2024	07/01/2025	Combined Single Limit (Bodily Injury & Property Damage)	\$5,000,000
G	X Worker's Compensation	CO, FL, GA, IL, KS, KY, NC, TN AHWC24	08/01/2024	08/01/2025		\$1,000,000
Description of Operations/Locations/Vehicles/Special Items:						
All operations subject to the terms and conditions of the Trust or insurance policies listed above but only with respect to the liability arising out of AdventHealth Port Charlotte's agreement to provide medical transportation services in Charlotte County. Charlotte County, a Political Subdivision of the State of Florida and its Elected Officials, it's Agents, Employees, and Volunteers are additional insureds with regard to general liability as their interest may appear and where required by written contract. Coverage provided is a per occurrence aggregate and is not increased by the number of named participants or claimants involved.						
Certificate Holder		Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail written notice to the Certificate Holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives or employees.				
Charlotte County Board of County Commissioners 18500 Murdock Circle #536 Port Charlotte, FL 33948		Authorized Representative: 				
		Date: 03/13/2025				



A member of the Tokio Marine Group

Safety National Casualty Corporation

Binder for

ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION

Policy Effective Date
07/01/2024

Policy Expiration Date
08/01/2025

Coverage

Commercial Automobile Liability

Policy Number

CA6675747

Issuing Company

Safety National Casualty Corporation



COPCN Application Review Checklist

Department of Public Safety

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Attachment 4

ALS/BLS Vehicles Form A-1

ALS Air Ambulance Vehicles Form A-2

Attached Yes ☒ / No ☐



APPLICATIONS FOR VEHICLE PERMIT(S)

01/21/2025

EMS Provider: AdventHealth Wesley Chapel EMS
Business Address: 30,000 County Line Road
Telephone Number: (813) 929-5664 City: Wesley Chapel State: FL Zip Code: 33543

	Permit Type (Check All That Apply)						Vehicle Data					
	New	Current	Remove	State Permit#	ALS Non-Transport	ALS Transport	BLS Transport	Year	Make	Model	License Plate	Last 6#s of V.I.N.
1		X		X	25870	X		2023	Chevy	E3500	MIX 88X	117214
2		X		X	25868	X		2023	Chevy	E3500	MIX 91X	117199
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												

Enclose Permit Fee(s). Do not send cash. Checks should be made payable to Charlotte County and mailed to Charlotte County Public Safety Department, 25671 Airport Road, Punta Gorda, FL 33982. **All fees are nonrefundable.** Fees can be paid by mail by check only, or in-person by check or credit card.

I, the undersigned representative of the above named firm, do hereby affirm that all equipment and medical supplies required by Chapter 2, C.C.C., Chapter 401, F.S., and Rule 64J-1, F.A.C., are present and in working order on the above describe vehicles. I also affirm that the equipment and medical supplies in the required quantities will be continuously maintained and the specified level. I further affirm that the above described vehicles will be staffed, during operation, in accordance with Chapter 2, C.C.C., Chapter 395 and 401, F.S., and Chapter 64J-1 F.A.C.

Jeffrey A Bogue
Digitally signed by Jeffrey A Bogue
Date: 2025.07.07 13:05:48 -04'00'

SIGNATURE: TITLE: Executive Director EMS / AirStar

DATE: 07/07/2025

FALSE OFFICIAL STATEMENTS: § 837.06, F.S.: Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.



AdventHealth Wesley Chapel

License Number: ALS10006

Data As Of 7/17/2025

Profession	EMS Service Provider (ALS)
License	ALS10006
License Status	Clear/
Qualifications	Transport
License Expiration Date	6/4/2026
License Original Issue Date	06/05/2018
Address of Record	30000 County Line Road WESLEY CHAPEL, FL 33543
Discipline on File	No

Secondary Locations

Address

1200 West Avon Boulevard
AVON PARK, FL 33825

Address

1101 Southwest 1st Avenue
OCALA, FL 34471

Address

6645 South Florida Avenue Unit B-1

Discipline/Admin Action

Emergency Actions

No Emergency Actions Found

Discipline Cases

No Discipline Found

If a link does not appear for the case number, we do not have a scanned copy of the final order available in our database. To obtain a paper copy, please contact Public Records by clicking the link below:

[Discipline Public Records Request](#)

You may also contact Public Records by telephone at (850) 245-4252, option 4 or by written correspondence at:
Division of Medical Quality Assurance
Public Records
4052 Bald Cypress Way, Bin C01
Tallahassee, FL 32399-3251

Please include the following:

1. Full name and license number of the practitioner;
2. Name and address where documents are to be sent; and
3. If you require certification of the documents, a \$25 fee will be charged, in addition to the duplicating charges. Certification of the requested records will not be done unless specifically requested. An invoice will be sent to you and payment will be expected within thirty days. Upon receipt of payment, material will be sent to you.

Supervising Practitioners

Name	Relationship	Profession	License	Effective Date
YONTECK, FREDERICK TODD	PRIMARY MEDICAL DIRECTOR	MEDICAL DOCTOR	87287	10/21/2019

Click on the License Number to view License Details for that Practitioner

Subordinate Practitioners

Name	Relationship	Profession	License	Effective Date
1FDBR2CG1PKA45526	PERMIT	VEHICLE PERMIT (ALS)	25261	8/9/2023
1FDBR2CG1PKA45526	PERMIT	VEHICLE PERMITS (BLS)	7030	8/9/2023
1FDBR2CG8PKA27329	PERMIT	VEHICLE PERMIT (ALS)	26511	11/14/2024
1FDBR2CG8PKA27329	PERMIT	VEHICLE PERMITS (BLS)	7588	11/14/2024
1FDUF5GN9PED04595	PERMIT	VEHICLE PERMIT (ALS)	25874	3/14/2024
1FDUF5GN9PED04595	PERMIT	VEHICLE PERMITS (BLS)	7338	3/14/2024
1FDUF5GNXOED45320	PERMIT	VEHICLE PERMIT (ALS)	25873	3/14/2024
1FDUF5GNXOED45320	PERMIT	VEHICLE PERMITS (BLS)	7337	3/14/2024
1FDWE3FN3RDD17434	PERMIT	VEHICLE PERMIT (ALS)	25872	3/14/2024
1FDWE3FN3RDD17434	PERMIT	VEHICLE PERMITS (BLS)	7336	3/14/2024
1FDWE3FN6NDC40021	PERMIT	VEHICLE PERMIT (ALS)	24325	5/24/2022
1FDWE3FN6NDC40021	PERMIT	VEHICLE PERMITS (BLS)	6691	5/24/2022
1FDWE3FN8NDC40022	PERMIT	VEHICLE PERMIT (ALS)	24326	5/24/2022
1FDWE3FN8NDC40022	PERMIT	VEHICLE PERMITS (BLS)	6692	5/24/2022
1FDWE3FNXNDC40023	PERMIT	VEHICLE PERMIT (ALS)	24327	5/24/2022
1FDWE3FNXNDC40023	PERMIT	VEHICLE PERMITS (BLS)	6693	5/24/2022
1FMJU1JT5NEA28261	PERMIT	VEHICLE PERMIT (ALS)	24983	3/23/2023
1GB3GRC71P1117214	PERMIT	VEHICLE PERMIT (ALS)	25870	3/14/2024
1GB3GRC71P1117214	PERMIT	VEHICLE PERMITS (BLS)	7334	3/14/2024
1GB3GRC71P1117231	PERMIT	VEHICLE PERMIT (ALS)	25869	3/14/2024
1GB3GRC71P1117231	PERMIT	VEHICLE PERMITS (BLS)	7333	3/14/2024
1GB3GRC74P1182865	PERMIT	VEHICLE PERMIT (ALS)	25871	3/14/2024
1GB3GRC74P1182865	PERMIT	VEHICLE PERMITS (BLS)	7335	3/14/2024
1GB3GRC79P1117199	PERMIT	VEHICLE PERMITS (BLS)	7332	3/14/2024
1GB3YTE70NF330288	PERMIT	VEHICLE PERMIT (ALS)	25083	5/22/2023
1GB3YTE70NF330288	PERMIT	VEHICLE PERMITS (BLS)	6974	5/22/2023
1GB3YTE72NF329319	PERMIT	VEHICLE PERMIT (ALS)	25085	5/22/2023
1GB3YTE72NF329319	PERMIT	VEHICLE PERMITS (BLS)	6976	5/22/2023
1GB3YTE73NF330812	PERMIT	VEHICLE PERMIT (ALS)	25084	5/22/2023
1GB3YTE73NF330812	PERMIT	VEHICLE PERMITS (BLS)	6975	5/22/2023
1GB3YTE74NF330522	PERMIT	VEHICLE PERMIT (ALS)	25086	5/22/2023
1GB3YTE74NF330522	PERMIT	VEHICLE PERMITS (BLS)	6977	5/22/2023
1GBC3GRC79P1117199	PERMIT	VEHICLE PERMIT (ALS)	25868	3/14/2024
3C6URVJG2KE524025	PERMIT	VEHICLE PERMIT (ALS)	22893	4/8/2020
3C6URVJG2KE524025	PERMIT	VEHICLE PERMITS (BLS)	6338	3/22/2021
3C6URVJG5KE523838	PERMIT	VEHICLE PERMIT (ALS)	22889	4/8/2020
3C6URVJG5KE523838	PERMIT	VEHICLE PERMITS (BLS)	6334	3/22/2021
3C6URVJG7KE523839	PERMIT	VEHICLE PERMIT (ALS)	22890	4/8/2020
3C6URVJG7KE523839	PERMIT	VEHICLE PERMITS (BLS)	6335	3/22/2021
3C6URVJG8KE523591	PERMIT	VEHICLE PERMIT (ALS)	22891	4/8/2020
3C6URVJG8KE523591	PERMIT	VEHICLE PERMITS (BLS)	6336	3/22/2021
3C6URVJGXKE524029	PERMIT	VEHICLE PERMIT (ALS)	22892	4/8/2020
3C6URVJGXKE524029	PERMIT	VEHICLE PERMITS (BLS)	6337	3/22/2021
WMWZB3C57CWMO4485	PERMIT	VEHICLE PERMIT (ALS)	26510	11/14/2024

Click on the License Number to view License Details for that Practitioner

The information on this page is a secure, primary source for license verification provided by the Florida Department of Health, Division of Medical Quality Assurance. This website is maintained by Division staff and is updated immediately upon a change to our licensing and

enforcement database.



CHARLOTTE COUNTY
Public Safety

COPCN Application Review Checklist

Department of Public Safety

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Attachment 5

ALS/BLS Personnel Form B-1

Attached Yes ☒ / No ☐

Name of Service: AdventHealth Wesley Chapel EMS

Date: 07/02/2025

Last Name	First Name/M.I.	Paramedic (Y/N)	EMT (Y/N)	Driver (Y/N)	Certificate(s) Number
Maxey	Keith	n	y	y	EMT552780
Scheidler	Philip	n	y	y	EMT521605
Kunsak	Keith	n	y	y	EMT564713
Mingo	Ashley	n	y	y	EMT561721
Stacey Stacy	Jeff	y	n	y	PMD537370
Savage	Richard	y	n	y	PMD195664 <i>PMD 195664</i>
Albritton	Kris	y	n	y	PMD578835 <i>PMD 564109</i>
Ross	Andrew	y	n	y	PMD534187



COPCN Application Review Checklist

Department of Public Safety

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Attachment 6

FCC License/Communications Contract

Attached Yes ☒ / No ☐

To whom it may concern,

Pasco-Pinellas Hillsborough Community Health System, INC. DBA AdvenHealth Wesley Chapel, in seeking a Certificate of Public Convenience and Necessity for Charlotte County, will provide 24/7 communication through our Dispatch center while providing ALS and BLS transport to the community.

AdventHealth EMS will Operate out of

250 Cooper Street, Punta Gorda, Florida, 33950

Phone: TBD

AHEMS will use multimodal communication methods through cell phones, WAVE radios systems, and State required 400mhz radio backups.

The dispatch center can be reached at 813-929-5801, it will be the first call for public inquiries and can route to appropriate resources.

Senior Operations Manager Bret VanDeman can be reached at 727-992-2512

Clinical Manager Kenneth Kaul can be reached at 813-523-5029

Advent Health EMS Admin Office (AHEMS) Fax 813-345-8905 Phone 813-929-5946

Bret VanDeman

Senior Operations Manager

AdventHealth EMS

30000 County Line Road

Wesley Chapel, Florida, 33543



Federal Communications Commission

Wireless Telecommunications Bureau

RADIO STATION AUTHORIZATION

LICENSEE: ADVENTHEALTH WEST FLORIDA DIVISION

ADVENTHEALTH WEST FLORIDA DIVISION
2600 BRUCE B. DOWNS BLVD
WESLEY CHAPEL, FL 33544

Call Sign WQVG501	File Number 0011340863
Radio Service IG - Industrial/Business Pool, Conventional	
Regulatory Status PMRS	
Frequency Coordination Number	

FCC Registration Number (FRN): 0024217895

Grant Date 11-23-2024	Effective Date 11-23-2024	Expiration Date 02-04-2035	Print Date 11-23-2024
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STATION TECHNICAL SPECIFICATIONS

Fixed Location Address or Mobile Area of Operation

- Loc. 1** Address: 2600 BRUCE B. DOWNS BLVD
City: WESLEY CHAPEL County: PASCO State: FL
Lat (NAD83): 28-11-44.0 N Long (NAD83): 082-21-05.0 W ASR No.: N/A Ground Elev: 20.0
- Loc. 2** Area of operation
Operating within a 32.0 km radius around fixed location 1
- Loc. 3** Address: 16625 State Road 54
City: Land O Lakes County: PASCO State: FL
Lat (NAD83): 28-11-30.0 N Long (NAD83): 082-32-26.0 W ASR No.: Ground Elev: 20.0
- Loc. 4** Area of operation
Operating within a 10.0 km radius around fixed location 3

Antennas

Loc No.	Ant No.	Frequencies (MHz)	Sta. Cls.	No. Units	No. Pagers	Emission Designator	Output Power (watts)	ERP (watts)	Ant. Ht./Tp meters	Ant. AAT meters	Construct Deadline Date
1	1	000464.28750000	FB2	1		11K2F3E	25.000	25.000	1.0	10.0	02-04-2016
1	1	000462.13750000	FB2	1		11K2F3E	25.000	25.000	1.0	10.0	11-07-2018
2	1	000469.28750000	MO	30		11K2F3E	4.000	2.000			02-04-2016

Conditions:

Pursuant to §309(h) of the Communications Act of 1934, as amended, 47 U.S.C. §309(h), this license is subject to the following conditions: This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized herein. Neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934, as amended. See 47 U.S.C. § 310(d). This license is subject in terms to the right of use or control conferred by §706 of the Communications Act of 1934, as amended. See 47 U.S.C. §606.

Licensee Name: ADVENTHEALTH WEST FLORIDA DIVISION

Call Sign: WQVG501

File Number: 0011340863

Print Date: 11-23-2024

Antennas

Loc No.	Ant No.	Frequencies (MHz)	Sta. Cls.	No. Units	No. Pagers	Emission Designator	Output Power (watts)	ERP (watts)	Ant. Ht./Tp meters	Ant. AAT meters	Construct Deadline Date
2	1	000462.13750000	MO	30		11K2F3E	4.000	2.000			11-07-2018
2	1	000467.13750000	MO	30		11K2F3E	4.000	2.000			11-07-2018
3	1	000464.60000000	FB2	1		11K2F3E	25.000	25.000	1.0	5.0	11-07-2018
4	1	000464.60000000	MO	10		11K2F3E	4.000	2.000			11-07-2018
4	1	000469.60000000	MO	10		11K2F3E	4.000	2.000			11-07-2018

Control Points

Control Pt. No. 1

Address: 2600 BRUCE B. DOWNS BLVD

City: WESLEY CHAPEL **County:** PASCO **State:** FL **Telephone Number:** (813)929-5067

Control Pt. No. 2

Address: 16625 State Road 54

City: Land O Lakes **County:** PASCO **State:** FL **Telephone Number:** (813)929-5067

Associated Call Signs

<NA>

Waivers/Conditions:

Grant of the request to update licensee name is conditioned on it not reflecting an assignment or transfer of control (see Rule 1.948); if an assignment or transfer occurred without proper notification or FCC approval, the grant is void and the station is licensed under the prior name.



CHARLOTTE COUNTY
Public Safety

COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Attachment 7

Written Evidence of a Medical Director

Attached Yes ☒ / No ☐

Execution Copy 9-25-19

**MEDICAL DIRECTOR AGREEMENT
(Ground Transport/EMS Program)**

THIS MEDICAL DIRECTOR AGREEMENT ("Agreement") shall be effective as of the 1st day of October, 2019 (the "Effective Date"), by and between PASCO-PINELLAS HILLSBOROUGH COMMUNITY HEALTH SYSTEM, INC., a Florida not-for-profit corporation, d/b/a ADVENTHEALTH WESLEY CHAPEL ("Hospital"), and TAMPA BAY EMERGENCY PHYSICIANS, LLC, a Florida limited liability company ("Group").

WITNESSETH:

WHEREAS, the Hospital is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and exists to provide hospital services in the community, to promote the health of the community, and to ensure that adequate hospital and medical care is available in the community; and

WHEREAS, Hospital wishes to engage the services of Group's Physician (as defined herein) to provide leadership and oversight for the delivery of services to patients of the Hospital's Ground Transport/EMS Program (the "Program"), to provide oversight for regulatory compliance and national accreditation standards, and to assist in the efficient and effective operation of the Program; and

WHEREAS, Group's Physician is specialty trained in emergency medicine and is qualified by training and experience to provide medical direction and oversight to Hospital's Program; and

WHEREAS, Hospital has assessed the nature and quality of the services needed in the Program and determined that the services of Group's Physician as Medical Director will enhance the efficiency, quality of care, and operation of the Program and that Group's Physician's background and qualifications are appropriate to serve the purposes herein stated.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Hospital and Group's Physician agree as follows:

1) **Definitions.** For purposes of this Agreement, the following terms shall have the meaning set forth below unless otherwise clearly required by the context in which such term is used:

a) **Hospital Policies:** the articles of incorporation, bylaws and rules of the Hospital, the bylaws, rules and regulations of the Medical Staff, the directions of Hospital's administration and Board of Trustees, and all other policies, practices, and procedures of the Hospital, the Medical Staff and Program as amended or modified from time to time.

b) **Medical Staff:** the organized medical staff of the Hospital or any officially constituted subdivision thereof.

2) **Purposes.** The purpose of this Agreement is to engage a medical director to assist the Hospital in operating the Program efficiently and effectively and in a manner consistent with all applicable regulations and accreditation standards. This Agreement is deemed by Hospital to be necessary and proper for all of the reasons stated herein and in the recitals above. Group hereby appoints **FREDERICK YONTECK, MD** ("Group's Physician") to serve in the capacity of Medical Director under the terms of this Agreement. If the individual serving as Group's Physician is unavailable to serve in such capacity, Group will designate another individual to serve as Group's Physician, and such individual must be acceptable to Hospital in its reasonable discretion.

3) **Representations of Physician.** Group represents and warrants that Group's Physician is and will continue to be throughout the term of this Agreement:

- a) licensed and in good standing to practice medicine in the State of Florida without restriction;
- b) a member in good standing of Hospital's Medical Staff, with unrestricted clinical privileges;
- c) qualified to participate and participating in the Medicare, Medicaid, and other state medical assistance or federal programs, and accepting assignment from beneficiaries for all services reimbursed by these programs;
- d) Board certified in Emergency Medicine; and
- e) not the subject of any investigation, proceeding or final action related to or resulting in:
 - (1) the suspension, termination, reduction, or withdrawal of medical staff membership or privileges at any facility;
 - (2) the indictment or conviction of a felony crime;
 - (3) the commission of an act of moral turpitude, fraud or impairment due to alcohol or drug use;
 - (4) the loss of medical license, restriction, suspension, denial or revocation of such license;
 - (5) the commission of professional misconduct as determined by the Hospital Medical Staff Executive Committee or applicable regulatory agency; or
 - (6) exclusion from participation in any federal or state health care program.

Each of the foregoing representations is a material condition of this Agreement. The breach of any one shall give rise to the Hospital's right to terminate this Agreement under Paragraph 11(b).

4) **Duties of Group's Physician.** Hospital hereby retains Group's Physician to serve as a Medical Director of the Program upon the terms and conditions of this Agreement, and Group's Physician hereby accepts such engagement. As Medical Director, Group's Physician shall perform the duties in Exhibit "A" attached hereto and incorporated herein. (The duties set forth on Exhibit "A" shall hereinafter be referred to as the "Services.")

When performing the Services, Group's Physician shall report directly to the Chief Executive Officer of the Hospital or his/her designee. Except pursuant to the prior written approval of Hospital, Physician shall not engage in direct purchasing or otherwise obligate the Hospital or contract on behalf of Hospital.

Group's Physician shall perform all duties and obligations under this Agreement with due diligence, due care, and in good faith, in compliance with Hospital Policies and applicable state and federal laws and regulations, and professional standards applicable to the delivery of services hereunder, and consistent with the standards of the DNV and other accreditation requirements.

5) **Duties of Hospital and Control of Property.** During the term of this Agreement, Hospital shall provide, at its expense but within its sole discretion and within its budgetary limitations, the space and employees Hospital may deem necessary in order to deliver quality services through the Program and administrative support for Medical Director to fulfill his/her obligations under this Agreement. The parties acknowledge that the Hospital has control over, or the right to approve (a) the annual budget of the Hospital,

(b) capital expenditures with respect to the Hospital, (c) each disposition of property that is part of the Hospital, and (d) the general nature and type of use of the Hospital.

6) **Records.**

- a) **Maintenance of Time Records.** Group's Physician shall maintain accurate and complete timekeeping records with respect to the Services performed under this Agreement in a manner acceptable to Hospital in its reasonable discretion. The form attached hereto as Exhibit "B", or other written record providing substantially the same information, shall be used to record all Services provided by Group's Physician. Timekeeping shall be in 15-minute increments with sufficient detail to enable identification and confirmation of all entries. Group's Physician shall provide or maintain underlying documentation (e.g., calendar entries; meeting agendas and/or sign in sheets and/or minutes; identification of charts reviewed; identification of policies reviewed, etc.) sufficient to substantiate all Services provided by Physician. Physician shall sign and date each time record before submitting it to the Hospital.
- b) **Submission of Time Records.** Group's Physician shall use good faith efforts to submit timekeeping records on at least a monthly basis within thirty (30) days, but no later than ninety (90) days as further described in subsection (c), of the end of the month for which services are claimed (the "Due Date") to CEO or designee (the "Coordinator"). Within ten (10) days following submission of the timekeeping records, the Coordinator shall review the timekeeping records, identify and resolve any discrepancies in consultation with Group's Physician, and approve for payment only those services recorded on the time sheet which qualify as medical director Services under this Agreement. Before denying for payment any timekeeping record, the Coordinator shall inform Group's Physician that the timekeeping record would be denied and attempt to resolve any issue with respect to such timekeeping record so that it will be eligible for payment. The Coordinator shall approve the time sheet, with any necessary corrections, by signing and dating it, and shall forward it to the Hospital's Accounts Payable Department.
- c) **Timeliness of Time Record Submission.** Hospital shall not accept nor shall payment be made for time records submitted more than sixty (60) days past their Due Date (ninety [90] days from the end of the month services were provided under this Agreement). Hospital and Group acknowledge and agree that the compensation paid by Hospital to Group pursuant to this Agreement is consistent with fair market value in arms-length transactions, and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties.
- d) **Medical Records.** Medical records remain the exclusive property of Hospital and shall at all times remain on the premises of Hospital. However, Hospital agrees to make Hospital's medical records available to Group or Group's Physician on Hospital premises, as reasonably necessary to carry out Physician's obligations under this Agreement.

To the extent Group's Physician maintains separate and independent records with respect to the services performed in the Hospital and under this Agreement, Group's Physician will grant Hospital access to such records.

7) **Compensation.** Group's Physician will devote a maximum of forty (40) hours per month to providing the services hereunder. The Hospital shall pay Group a fair market value compensation amount of One Hundred Fifty Dollars and 00/100 (\$150.00) per hour for all Services performed and documented; provided, however, that the maximum amount paid shall not exceed \$72,000 per year. Payment shall be made within thirty (30) days of submission each month by Group's Physician of time records described in Section 6

reflecting the Services rendered by Group's Physician during the preceding month. Compensation will be made pursuant to this Agreement solely for Administrative Services provided to Hospital.

8) **Insurance.** As an independent contractor Group shall maintain or cause to be maintained professional liability coverage limits of no less than \$250,000 per occurrence and \$750,000 in the annual aggregate with an insurer acceptable to Hospital to provide coverage for any clinical Services to be performed under this Agreement. Upon the request of Hospital, Group shall furnish Hospital with a Certificate of Insurance evidencing coverage and all amendments and endorsements. The policy shall contain an endorsement requiring written notice to Hospital of the cancellation or proposed cancellation of Group's policy and of any decrease in coverage (or proposed decrease) not less than thirty (30) days prior to the effective date of cancellation or decrease. As Group's Physician is not an employee of the Hospital, Group's Physician shall not be a participant under the Hospital's workers' compensation program and thus shall be responsible for providing any statutorily required workers' compensation coverage. The Hospital shall maintain general liability coverage in sufficient amounts to cover the Physician for administrative Services performed under this Agreement.

9) **Indemnification.** Each party agrees to indemnify and hold harmless the other party from and against any and all manner of claims, demands and causes of action (including costs and reasonable attorney's fees) arising from or incident to the negligent or willful act or omission of the indemnifying party.

a) **No Vicarious Liability.** Notwithstanding anything in this Agreement to the contrary, all liabilities and obligations arising out of this Agreement and the transactions contemplated hereby will be limited to the parties to this Agreement, and a Person that is not a party to this Agreement will not have any liability or obligation hereunder or with respect to the transactions contemplated hereby.

10) **Term.** This Agreement shall be effective as of the Effective Date set forth above, and shall remain in effect for a term of two (2) years from the Effective Date (the "Initial Term"), unless terminated earlier in accordance with the provisions of this Agreement. At the end of the Initial Term and each Renewal Term (as defined herein), this Agreement shall automatically be extended for a one (1) year term (each, a "Renewal Term" and, together with the Initial Term, the "Term") unless a party notifies the other party in writing of its intention not to renew this Agreement at least ninety (90) days prior to the end of the Term, for a total of four (4) years total for this Agreement.

11) **Termination.**

a) Either party may terminate this Agreement for breach by the other party of any of the terms herein which the breaching party does not cure within thirty (30) days after the party alleging the breach provides written notice of cause for termination, said notice to include the specific provision(s) of this Agreement which have been breached.

b) Notwithstanding the foregoing provisions, Hospital may immediately and without notice terminate this Agreement upon any of the following acts:

- (1) the inability of Group's Physician to perform the duties described in this Agreement, if such inability to perform has continued for a period of thirty (30) days;
- (2) Any breach of the requirements listed in Section 3 (Representations of Physician); or
- (3) if, in the sole judgment of Hospital, the provision of Services hereunder by Group's Physician is not in the best interest of Hospital or patient care.

c) Either party may terminate this Agreement at the end of the first year or any time thereafter by providing at least sixty (60) days' advance written notice to the other party.

12) Notice.

a) All notices to be given in writing shall be deemed delivered three (3) days after deposit in the United States Mail, certified mail, return receipt requested, or on the date of hand delivery, addressed to the parties as follows:

TO HOSPITAL:
President/CEO
AdventHealth Wesley Chapel
2600 Bruce B Downs Blvd.
Wesley Chapel, FL 33544

Copy to:
Legal Services
AdventHealth West Florida Division
14055 Riveredge Drive, Suite 250
Tampa, FL 33637

TO GROUP:
Tampa Bay Emergency Physicians, LLC
12802 Tampa Oaks Blvd
Suite 300
Tampa, FL 33637

Copy to:
US Acute Care Solutions
4535 Dressler Road
Canton, Ohio 44718
Attention: Legal Department

13) **Status of Parties.** Group is performing Services under this Agreement as an independent contractor and not as an employee, agent, partner, or joint venturer of Hospital. Nothing in this Agreement shall be construed as an effort by Hospital to exercise any control over the independent professional judgment of Group's Physician in his/her delivery of medical care, or professional services to patients at Hospital, and Hospital will not control or supervise Physician in that respect.

14) **Access to Records.** If required by law or regulation, Group will make available to the Secretary of Health & Human Services ("HHS"), the Comptroller General of the General Accounting Office ("GAO"), or their authorized representatives or the authorized representatives of Hospital, all contracts, books, documents, and records relating to the nature and extent of the costs hereunder for a period of four (4) years after furnishing services in fulfillment of the terms herein.

15) **Confidentiality.** As used in this Agreement, the term "Confidential Information" means Hospital specific information relating to the operations, marketing, and short and long term planning of Hospital, including, but not limited to, patient information, records, billing procedures, plans, specifications, procedures, methods, inventions (patentable and unpatentable), and other technical business and commercial data and information. All tangible Confidential Information and other documentation disclosed to Group or Group's Physician, including all copies, shall remain the property of Hospital and shall be returned to Hospital. Hospital may disclose Confidential Information to Group or Group's Physician in connection with his/her performance of this Agreement. Group or Group's Physician agrees that they will use Confidential Information only for the purpose of performing this Agreement, will maintain the Confidential Information in confidence, and will not disclose or reveal, directly or indirectly, Confidential Information to any person, firm, or corporation. The confidentiality provisions herein set forth are inserted for the direct benefit and protection of Hospital. The extent of actual damages sustained by Hospital will be difficult to ascertain, although great and irreparable, and that compensation at law will be inadequate. Therefore, the parties expressly agree that Hospital shall have the right to injunctive relief for breach of such provisions.

Group and Group's Physician hereby agrees to comply with the terms of the HIPAA Agreement attached hereto as **Exhibit "C"** and incorporated herein by reference.

16) **Entire Agreement.** This Agreement and any exhibits attached hereto constitute the entire agreement of the parties and supersede all prior agreements, contracts, and understandings, either written or otherwise, between the parties relating to it. If any provision of this Agreement is declared invalid or unenforceable, the remainder of the Agreement shall remain valid and enforceable.

17) **Community and Hospital Benefit Covenant.** Hospital and Group expressly acknowledge and agree that this Agreement is not entered into for the purpose of requiring or inducing referrals of patient services or patient admissions to Hospital, but is entered for the purpose of securing medical administrative leadership. Accordingly, Group's Physician shall have complete discretion according to his/her medical judgment with respect to his/her patient care activities for selecting the site for inpatient or outpatient hospital and diagnostic services for patients. Nothing in this Agreement prohibits Group's Physician from establishing staff privileges at, providing services in or making referrals to any other facility. Group's Physician acknowledges and the parties agree that Group's Physician is not under any obligation whatsoever, either express or implied, to admit, treat, and/or refer any patients to Hospital.

18) **Dispute Resolution and Waiver of Jury Trial.** In the event of any dispute arising under this Agreement, the parties agree to attempt to negotiate in good faith in an attempt to resolve the issue in dispute. In the event of any litigation or administrative proceeding involving the parties to this Agreement, and arising out of their performance of this Agreement or the transactions contemplated by this Agreement, the party who does not prevail in the litigation or proceedings on a claim will pay all attorneys' fees (including fees incurred in all appeals and the costs) regarding that claim of the party who, after resolution of all appeals, is the prevailing party on that claim. Each party hereby knowingly, voluntarily and irrevocably waives any and all rights it may have to demand that any action, proceeding or counterclaim arising out of or in any way related to this agreement or the relationship of the parties be tried by jury.

19) **Miscellaneous.** This Agreement may only be amended or modified in a writing signed by both parties. This Agreement is for the personal and professional services of Group and shall not be assigned, nor duties hereunder delegated, by Group in any manner or by operation of law. Paragraph titles or captions contained in this Agreement are inserted only for a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof. This Agreement and its amendments may be executed in duplicate and each of the executed duplicates will be deemed an original. No waiver of any breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision of this Agreement or of any succeeding breach of the same provision.

20) **Governing Law.** This Agreement shall be construed under Florida law and shall inure to the benefit of, and be binding upon, the parties and, as provided herein, their successors and assigns. All duties and obligations of the parties pursuant to this Agreement are performed in Pasco County, Florida, and such county shall be sole and exclusive venue for any litigation, special proceeding, or any other proceeding between the parties that may arise out of or in connection with this Agreement.

21) **Change in Law, Regulation and/or Interpretation.** The parties to this Agreement recognize that the federal and state governments, through any agency, department, or other bureau, may, in the future, implement statutes, rules, regulations (including, but not limited to, "safe harbor" regulations) or guidance, rendering activities such as those contemplated by this Agreement unlawful. In such event, the parties agree to terminate this Agreement or promptly renegotiate any provision rendered unlawful.

22) **Compliance with Hospital Policies and Procedures.** Group certifies that Group's Physician and any employees/contractors of Group will comply with all applicable Hospital policies and procedures, including but not limited to Hospital's Code of Conduct and its policies and procedures addressing whistleblower actions. Copies of all such policies are available on the Hospital's intranet or by request.

Execution Copy 9-25-19

Group will report any concerns regarding fraud and abuse that may arise in the course of providing contracted duties to the Hospital's Corporate Compliance Department at 813-803-4022. Group may also report concerns anonymously through the Hospital Guide Line at 1-888-924-8433.

23) **No Inconsistent Tax Position.** Group agrees that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to Hospital with respect to the managed property. Group agrees, for example, not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the managed property.

SIGNATURES FOLLOW ON NEXT PAGE

Execution Copy 9-25-19

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

Hospital: ADVENTHEALTH WESLEY CHAPEL

By: [Signature]
Printed Name: Tyson Davis
As its: CEO
Date: 9/25/19

Group: TAMPA BAY EMERGENCY PHYSICIANS, LLC

Signature: [Signature]
Printed Name: BRIAN M. BAKER
Date: 9/26/19

Please indicate Payee:

☐ Pay Me

☒ Pay my Group/PA

Group/PA Name: _____

No Payment will be made under this Agreement until a completed W9 is provided.

EXHIBIT "A"

Duties of Group's Physician

Provide clinical direction, oversight, and physician leadership to Hospital's Ground Transport/EMS Program, by performing the following duties:

Provide clinical direction, oversight, and physician leadership to Hospital's Ground Transport/EMS Program, including the evaluation and supervision of performance improvement activities, and the following:

- Advise Hospital administration on subjects relating to the rendition of medical and other health services in the Program including short and long term planning activities, program development, and any special needs for the provision of such services such as recommending the purchase of supplies, materials, and equipment.
- Assist Hospital in completing all necessary tasks for obtaining and maintaining DNV accreditation and for compliance with all licenses, regulations and accreditation standards applicable to the Program.
- Assist Hospital with establishing clinical protocols, policies, procedures, and guidelines for the delivery of patient care services relating to implementation and management of the Program.
- Communicate new developments in the treatment and care of patients in the Program to Hospital's medical staff and clinical personnel and conduct professional continuing education programs.
- Reasonably participate and cooperate with Hospital in its investigation of complaints and/or claims related to the Program.
- Perform chart reviews as requested by Hospital for peer review, utilization review and or quality review purposes, with reports as necessary to appropriate hospital or medical staff committees.

Other:

- Develop medically correct standing orders and protocols which permit specified ALS and BLS procedures when communication cannot be established with a supervising physician or when any delay in patient care would potentially threaten the life or health of the patient. The Medical Director shall issue standing orders and protocols to the provider to ensure that the provider transports each of its patients to facilities that offer a type and level of care appropriate to the patient's medical condition if available within the service region. The Medical Director of his appointee shall provide continuous 24-hour-per-day, 7 day-per-week medical direction which shall include in addition to the development of protocols and standing orders, direction to personnel of the provider as to availability of medical direction "off-line" service to resolve problems, system conflicts, and provide services in an emergency as that term is defined by Section 252.34(3), F.S.
- Develop and implement patient care quality assurance system to assess the medical performance of paramedics and EMTs. The Medical Director shall audit the performance of system personnel by use of a quality assurance program to include but not limited to a prompt review of patient care records, direct observation, and comparison of performance

standards of drugs, equipment, system protocols and procedures. The Medical Director shall be responsible for participating in quality assurance programs developed by the department.

- With the exception of BLS medical directors each ALS or air ambulance service medical director shall possess proof of current registration as a medical director, either individually or through a hospital, with the U.S. Department of Justice, DEA, to provide controlled substances to an EMS provider. DEA registration shall include each address at which controlled substances are stored. Proof of such registration shall be maintained on file with each ALS or air ambulance provider and shall be readily available for inspection.
- Ensure and certify that security procedures of the EMS provider for medications, fluids and controlled substances are in compliance with Chapters 499 and 893, F.S., and chapter 64F-12, F.A.C.
- Create, authorize and ensure adherence to, detailed written operating procedures regarding all aspects of the handling of medications, fluids and controlled substances by the provider.
- Notify the department in writing of each substitution by the EMS provider of equipment or medication.
- Assume direct responsibility for: the use by an EMT of an automatic or semi-automatic defibrillator; the performance of airway patency techniques including airway adjuncts, not to include endotracheal intubation, by an EMT; and on routine interfacility transports, the monitoring and maintenance of non-medicated I.V.s by an EMT. The Medical Director shall ensure that the EMT is trained to perform these procedures; shall establish written protocols for the performance of these procedures; and shall provide written evidence to the department documenting compliance with provisions of this paragraph.
- An EMT employed by a licensed ALS provider is authorized to start a non-medicated IV under the following conditions:
 - A non-medicated DIV is initiated only in accordance with department approved protocols of the licensed AHS provider's Medical Director. These protocols must include a requirement that the non-medicated IV be initiated in the presence of a Florida certified paramedic (of the same license provider) who directs the EMT to initiate the IV.
 - If the licensed ALS provider elects to utilize EMTs in this capacity, the licensed Ems provider shall ensure that the Medical Director provides training at least equivalent to that required by the 1999 U.S. D.O.T. EMT-Intermediate National Standard Curriculum relating to IV therapy which is incorporated by reference and available from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA, 15250-7954. The licensed EMS provider shall document successful completion of such training in each EMTs training file and make documentation available to the department upon request.
- Ensure that all EMTs and paramedics are trained in the use of the trauma scorecard methodologies as provided in Rule 64E-2.017, F.A.C. for adult trauma patients and Rule 64E-2.015 F.A.C. for pediatric trauma patients.
- Develop and revise when necessary TTPs for submission to the department for approval.
- Participate in direct contact time with EMS field level providers for a minimum of 10 hours per year. Notwithstanding the number of EMS providers served by the Medical Director, direct contact time shall be a minimum of 10 hours per year medical director, not per provider.
- If he is a Medical Director of a training program:

- Be responsible for the instruction of the Department of Transportation (DOT) approved training program for EMTs and paramedics.
- Have substantial knowledge of the qualifications, training, protocols, and quality assurance program for the training facility.
- Maintain current instruction level training in Advanced Cardiac Life Support (ACLS), or equivalent, or Advanced Trauma Life Support (ATLS), maintain provider level training in International Trauma Life Support (ITLS) or Prehospital Trauma Life Support (PHTLS); and Advanced Pediatric Life Support (APLS), Pediatric Advanced Life Support (PALS) or Pediatric Education for Prehospital Professionals (PEPP).
- Act as a liaison between training centers, local EMS providers and hospitals.
- Participate in state and local quality assurance and data collections programs.
- The EMS training center shall by contract, require such medical director to be available 4 hours per month for classroom teaching or review of student performance, and participate in direct contact time with EMS field level providers for minimum of 10 hours per year. Notwithstanding the number of training centers or EMS providers served by the medical director, direct contact time shall be a minimum of 10 hours per year per medical director, not per training center.
- Participate in the recruitment, selection, and orientation of instructors and preceptors.
- Participate in student selection, mid-term evaluation and final practical examination of students.
- To certify implementation of the federal E-Verify program and obtain written certification from all subcontractors who will participate in the performance of the Agreement. All subcontractor certifications must be kept on file with the contract vendor and made available to the state and/or FHWC upon request.
- To assist in establishing procedures and critique for the medical capability of the RN's and paramedics and the ALS provider regarding the appropriate level and standard of care which the ALS provider should seek to achieve.
- To assist in identifying the specific medical skills and knowledge which EMT's, paramedics, and RN's must possess to achieve the desired level and standard of care.
- To assist in identifying the training and experience necessary for the EMT's, paramedics and RN's to acquire the desired skills and knowledge and, in cooperation with approved educational programs, assuring that each employee receives such training and experience.
- To participate in the Patient Care Quality Assurance Program ("Program") to assess the medical performance of RN's, paramedics and EMT's. Auditing of personnel will include but is not limited to a prompt run review, direct observation, and comparison of performance standards for drugs, equipment, protocols, and procedures.
- To participate in the development and authorization of standing orders which allow RN's and paramedics to properly manage certain medical emergencies when voice communication with the physician Medical Command Authority (MCA) is not available. Such standing orders must be specific and must at least provide for managing immediate life-threatening medical emergencies; they are not required to be so comprehensive as to include all possible medical emergencies.

- To accept responsibility for the medical correctness of any standing order which he authorizes for use by the RN's, paramedics, and EMT's and for properly instructing the paramedics regarding the correct use of the standing order.
- To participate in development and revision of Trauma Transport Protocols when necessary.
- The Medical Director will retain ultimate authority over the medical control of the Emergency Medical Transport System (the "System") and permit and/or prohibit any System RN and/or paramedic to utilize ALS technique.
- The Medical Director and Program Manager (or designee) will jointly direct the safe and efficient operation of the System. However, neither the Medical Director nor Associate Medical Director shall exercise any administrative control over the operations of the System. Coordination of all administrative procedures and control shall be through the Program Manager (or designee).

It is understood that the Medical Director may not be able to, in any one month, perform all of the aforementioned functions. This Agreement represents all of the Services to be provided by the Medical Director to the Hospital. These Services do not exceed those that are reasonable and necessary for the legitimate business purpose of the arrangement.

EXHIBIT "B"

**MEDICAL DIRECTOR AGREEMENT ADDENDUM
OFFICIAL TIME RECORD**

Document Purpose: The attached time record shall be used to account for time spent fulfilling duties specified in the Medical Director Agreement (the "Agreement"), as required under Section 6 of the Agreement.

General Instructions: To record time spent providing Medical Director Services, please use the attached form. For each Service provided, please:

- Record the date the Service was performed.
- Provide a description of the Service performed in Column 3 of the time sheet, explaining the "who, what, when and why" of each Service.
- NOTE: All Services claimed for payment must correspond to a duty set forth in Exhibit "A" of the Agreement.
- Retain underlying documentation for each Service performed (meeting minutes; agendas; calendar entries; list of charts reviewed, or etc.) sufficient to validate the accuracy of the reported Service in case of a governmental audit.

Total Time Spent on Function (Column 4): Time should be documented in $\frac{1}{4}$ th hour (15 minute) increments for all functions. For example, a meeting requiring an hour and fifteen minutes would be recorded as 1.25 hours. If time falls between two increments, round to the nearest increment. If the nearest increment is zero, round up (e.g., if the time spent in a meeting was six minutes, round up and list this time as 0.25 hour, not 0 hours).

This record covers one (1) month of services. Upon completion of your claim for Services provided during a month, please give the completed time record to CFO at Advent Health Wesley Chapel.

Please maintain a copy for your records. Disbursement for Services will be made within thirty (30) days after receipt of properly completed time records.

Attestation: I understand, and agree to comply with the above instructions in completing the attached time records throughout the term of this Agreement. All items submitted on each time record will be made in good faith solely for the provision of Services described in the Agreement.

Medical Director's Signature: _____
Printed Name: _____
Date: _____

EXHIBIT "B"
OFFICIAL TIME RECORD

Physician Information:

Name:

FREDERICK YONTECK, MD.
TBEP, LLC

Services Rendered: Medical Director

Month: _____

[illegible]

Legend: ADV-Advise Administration; ACC-Accreditation/Compliance; PP-Policy/Procedure Rev/Dev; E/P-Education/Presentation;
CR-Chart Review; OTH-Other

Attestation: I, the above noted Physician, attest that the hours shown above as "incurred" were actually worked by me. Also, the hours shown are for services consistent with those required of me in the Agreement.

Date: _____

Physician's Signature

Administrative Use Only:

Hours Total: _____

Contract Hours Max Per Month: _____

Amount Due Physician: \$_____ (maximum \$_____ per month)

Date: _____

Administrative Approval

NOTE: Payment cannot exceed contract monthly hours maximum.

Exhibit "C"

BUSINESS ASSOCIATE ADDENDUM (2016)

This BUSINESS ASSOCIATE Addendum ("Addendum") is entered into and effective as of the date first noted above ("Effective Date") by and between Hospital ("Covered Entity"), and Physician ("Business Associate") (collectively referred to as "Parties").

WITNESSETH

WHEREAS, the Parties have entered into an Agreement ("Services Agreement") into which this Addendum is incorporated thereto and under which the Business Associate regularly uses and/or discloses Protected Health Information ("PHI") in its performance of the Services described below;

WHEREAS, both Parties are committed to complying with the privacy and security rules and regulations of the Health Insurance Portability & Accountability Act of 1996 ("HIPAA").

NOW, THEREFORE, in consideration of the terms, conditions, covenants, agreements and obligations herein stated, the Parties agree and covenant to abide by the terms hereto regarding the handling of PHI during the term of their Services Agreement and after its termination, as follows:

I. DEFINITIONS

1.1 **Regulations.** The term "Regulations" used in this Agreement shall include the following: (i) The Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d) privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160 and 164, subparts A and E, and the security standards, adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160, and 164 subparts A and C ("HIPAA"); (ii) the breach notification requirements under Subtitle D of the Health Information Technology for Economic and Clinical Health Act of the American Recovery and Reinvestment Act of 2009, 42 U.S.C. §§ 17921-17954 and its attendant regulations published in the Federal Register (Fed. Reg. 42,740 (Aug. 8, 2009)) ("HITECH Act") as they may be amended from time to time; (iii) the Final Rule for the Modifications to the HIPAA Privacy, Security, Enforcement and Breach Notification Rules under the HITECH Act and the Genetic Information Nondiscrimination Act ("GINA"), and other modifications to the HIPAA Rules, all of which were published January 25, 2013, effective March 26, 2013; and (iv) any additional regulations promulgated pursuant to HIPAA, the HITECH Act or GINA, which apply to the Parties and are effective.

1.2 **Defined Terms.** The following terms used in this Agreement shall have the same meaning as those in the Regulations: Health Care Operations, Designated Record Set, Disclose, Disclosure, Individual, Minimum Necessary, Notice of Privacy Practices, Unsecured Protected Health Information, Protected Health Information ("PHI"), Required By Law, Secretary, Security Incident, Subcontractor and Use. Other terms shall have the definition set forth in this Agreement.

II. SCOPE OF AGREEMENT

2.1 **Scope.** Covered Entity shall include each of its affiliated entities, if applicable, as first set forth above. The Covered Entity and each of its affiliated entities shall each be entitled to benefit from the provisions of this Agreement as if each were separately a signatory to this Agreement.

2.2 **Independent Status of Parties.** The Parties agree that each of the Covered Entity's affiliated entities shall be independently responsible for complying, and shall independently comply, with the Regulations, as they may be amended from time to time. The Parties further agree that each affiliated entity of the Covered Entity shall be responsible for its own actions and conduct and shall not assume responsibility for the actions and conduct of one another. The Parties agree that the aggregation of the above-listed affiliated entities of the Covered

Entity into a single affiliated covered entity is for purposes of sharing PHI under the Regulations. The Parties agree that each of them shall independently maintain all corporate formalities establishing separate and individual control by each organization's board of directors, as applicable.

- 2.3 **Services.** Pursuant to the Services Agreement, Business Associate provides Medical Director services ("Services") for the Covered Entity that involve the Use and Disclosure of PHI. Business Associate agrees to only Use and Disclose PHI as authorized by this Agreement.

III. **PRIVACY & SECURITY OF PROTECTED HEALTH INFORMATION**

- 3.1 **Permitted Uses and Disclosures of PHI by Business Associate.** Business Associate may Use or Disclose PHI received from Covered Entity: (1) to its officers, employees, Subcontractors and agents for the purpose of providing Services to Covered Entity; (2) as directed by Covered Entity; and (3) as otherwise permitted by this Agreement. All other Uses or Disclosures not authorized by this Agreement are prohibited.

- 3.2 **Responsibilities of Business Associate.** Regarding the Use or Disclosure of PHI, Business Associate hereby agrees to perform the following:

- 3.2.1 Only Use or further Disclose the PHI as allowed under this Agreement or Required By Law.
- 3.2.2 Only Use or further Disclose PHI in a manner that would not violate the Regulations if done so by the Covered Entity.
- 3.2.3 Establish and implement appropriate safeguards to prevent improper Uses or Disclosures of PHI and procedures for mitigating, to the greatest extent practicable, any deleterious effects from any improper Use or disclosure of PHI that Business Associate reports to Covered Entity.
- 3.2.4 Use appropriate safeguards to prevent Use or Disclosure of PHI other than as provided for by this Agreement and the Regulations, and to comply with Subpart C of 45 C.F.R. part 164 of HIPAA with respect to electronic PHI.
- 3.2.5 3.2.5 Notify Covered Entity within two (2) days of any Security Incident or unauthorized Use or Disclosure of PHI in violation of the Regulations or any other applicable federal or state laws, rules and regulations, including breaches of Unsecured Protected Health Information as required by 45 C.F.R. § 164.410. Notifications shall be in writing to: AdventHealth West Florida Division, Attention: Privacy Officer, 14055 Riveredge Drive, Suite 250, Tampa, FL 33637.

For incidents that do not rise to the level of a Breach, the report shall identify the date of the Security Incident or impermissible Use or Disclosure (collectively "Occurrence"), the scope of the Occurrence, Business Associate's response to the Occurrence, and identification of the party responsible for causing the Occurrence, if known.

For incidents constituting a Breach, the notification shall include, to the extent possible and subsequently as the information becomes available, the identification of all Individuals affected by the Breach and any other relevant/available information. Business Associate shall take: (a) prompt corrective action to cure any such deficiencies and (b) any action pertaining to such unauthorized Disclosure required by the Regulations and any applicable federal or state laws, rules and regulations. Business Associate shall be financially responsible for all costs and expenses for any Breach to the extent caused by Business Associate's acts or omissions, including without limitation, costs and expenses related to: (i) drafting, printing and mailing any required notice to Individuals impacted by the Breach, (ii) setting up and manning a hotline, (iii) mitigating potential harm to such Individuals by providing credit monitoring and identity theft restoration services, (iv) Business Associate's attorney's fees, and (v) penalties or fines assessed against Covered Entity on account of the Breach caused by Business Associate, by any administrative entity authorized to enforce the Regulations. Both parties agree that Covered Entity shall be involved with the Breach investigation, and that both Parties shall mutually agree to all press releases, frequently asked questions for the hotline, reports or notifications to the Secretary, and letters sent to Individuals in

the event of a Breach. The term "Breach" shall be defined as set forth under the Regulations and applicable federal or state laws, rules and regulations.

- 3.2.6 Ensure that Business Associate's Subcontractors or agents to whom Business Associate provides PHI, received from or created or received by the Business Associate on behalf of the Covered Entity, agree to the same restrictions, conditions and requirements that apply to the Business Associate with respect to such PHI.
 - 3.2.7 Make Business Associate's records, books, agreements and policies, and procedures relating to the Safeguards and the Use and Disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary for purposes of determining Covered Entity's compliance with the Regulations. Unless otherwise Required by Law or by the Secretary, Business Associate shall immediately notify Covered Entity upon receipt by Business Associate of any such request, and shall provide Covered Entity with copies of all materials provided to Secretary.
 - 3.2.8 Use and Disclose PHI in a manner that is consistent with the Minimum Necessary standard as set forth in the Regulations.
 - 3.2.9 Maintain and make available to Covered Entity information required under 45 C.F.R. § 164.528 to permit Covered Entity to respond to a request by an Individual for an accounting of Disclosures, within 5 days of receiving a written request from Covered Entity.
 - 3.2.10 Make available PHI maintained by Business Associate to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.524, if Business Associate maintains a Designated Record Set on behalf of Covered Entity.
 - 3.2.11 Make any amendment(s) to the PHI when directed by Covered Entity pursuant to 45 C.F.R. § 164.526, if Business Associate maintains a Designated Record Set on behalf of Covered Entity.
 - 3.2.12 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164 or other provisions of HIPAA, Business Associate agrees to comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).
- 3.3 **Use of PHI for Management and Administration or Legal Responsibilities of Business Associate.** The Business Associate may Use and Disclose PHI received by the Covered Entity pursuant to this Agreement for: (1) the proper management and administration of the Business Associate; or (2) to carry out the legal responsibilities of the Business Associate.
- However, the Business Associate will only be allowed to Disclose PHI for the aforementioned Uses if: (1) the Disclosure is Required By Law; or (2) the Business Associate obtains reasonable assurances from the person to whom the PHI is Disclosed that it will be held confidentially and Used or further Disclosed only as Required By Law or for the purpose for which it was Disclosed to the person, AND the person notifies the Business Associate of any instances in which the person is aware of a Security Incident or Breach of PHI.
- 3.4 **Data Aggregation Services.** With respect to PHI created or received by the Business Associate in its capacity as the Business Associate of the Covered Entity, Business Associate may combine such PHI it has received from the Covered Entity with the PHI received by the Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the Health Care Operations of the respective covered entities, if data analyses is part of the Services that Business Associate is to provide under the Services Agreement.
- 3.5 **Remuneration Statement.** Except as otherwise allowed in this Agreement and the Regulations, Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual unless the Individual has provided a valid authorization compliant with the Regulations and state law.

- 3.6 **PHI Ownership Statement.** Business Associate acknowledges and agrees that it acquires no title or ownership rights to the PHI, including any de-identified information, as a result of this Agreement.
- 3.7 **Encryption Requirement.** Unless Covered Entity agrees, in writing, that this requirement is infeasible with respect to particular data, Business Associate shall secure all PHI by a technology standard that renders PHI unusable, unreadable, or indecipherable to unauthorized individuals and is developed in accordance with Department of Health and Human Services' applicable guidance and other applicable laws and regulations, when Business Associate: (i) stores PHI on Business Associate's system, (ii) transmits PHI, or (iii) controls the Use, Disclosure and access to PHI.
- 3.8 **Audit Procedure.** Within ten (10) days of Covered Entity's written request, Business Associate and its agents and Subcontractors shall allow Covered Entity to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the Use or Disclosure of PHI to this Agreement for the purpose of determining whether Business Associate has complied with the Agreement; provided, however that Covered Entity shall protect the confidentiality of all confidential and proprietary information of Business Associate to which Covered Entity has access during the course of such inspection. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Business Associate of responsibility to comply with this Agreement, nor does Covered Entity's (i) failure to detect or (ii) detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practice, constitute acceptance of such practice or waiver of Covered Entity's enforcement rights under this Agreement.
- 3.9 **USA Storage of PHI Only.** Business Associate must host or store PHI maintained on behalf of Covered Entity on servers and other hardware or in physical storage areas located only within the United States, and all Services by Business Associate described in this Agreement will be provided on, in and from the United States only.

IV. TERMINATION

- 4.1 **Covered Entity's Right to Terminate.** Covered Entity is authorized to terminate the Services Agreement and this Agreement if Covered Entity determines that Business Associate has violated a material term of this Agreement that pertains to PHI and has failed to cure the breach or end the violation within thirty (30) days of receiving prior written notice.
- 4.2 **Effect of Termination.** Termination of Services Agreement and this Agreement shall not affect any claims or rights that arise based on the acts or omissions of the parties prior to the effective date of termination.
- 4.3 **Automatic Termination.** This Agreement will automatically terminate without any further action of the Parties upon the termination or expiration of the Services Agreement.
- 4.4 **Duties of Business Associate Upon Termination.** Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:
- 4.4.1 Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, or is infeasible to return;
 - 4.4.2 Return to Covered Entity or, if agreed to in writing by Covered Entity, destroy the remaining PHI that Business Associate still maintains in any form;
 - 4.4.3 Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent Use or Disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;

4.4.4 Not Use or Disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions in this Agreement, which applied prior to termination; and

4.4.5 Return to Covered Entity or, if agreed to in writing by Covered Entity, destroy the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

V. INDEMNIFICATION

Business Associate shall indemnify, hold harmless and, at Covered Entity's request, defend Covered Entity from and against any and all costs, fines, penalties, liabilities, losses, judgments and expenses (including, but not limited to, reasonable attorneys' fees and court costs) (collectively, "Losses") resulting from any claim, suit, action, or proceeding ("Claim"), regardless of the theory or cause of action upon which the Claim is based, brought by any regulatory agency or third party against Covered Entity arising from Business Associate or Business Associate's employees, officers, agents or Subcontractors: (i) gross negligence, bad faith or intentional misconduct; (ii) non-compliance with the Regulations; (iii) breach of any of its obligations under this Agreement; or (iv) Security Incident or Breach under Section 3.2.5 herein. For any Claim for which Covered Entity is entitled to indemnification hereunder, Covered Entity shall: (a) provide Business Associate prompt written notice of the existence of any such Claim upon Covered Entity's receipt or knowledge of it and; (b) defend such Claim or permit Business Associate to control the defense of the Claim. If Covered Entity requests Business Associate to defend such Claim, Business Associate shall not enter into any settlement or other Agreement with respect to any Claim that imposes any duty or obligation on Covered Entity, or provides for an admission of fault on the part of Covered Entity, without Covered Entity's prior written consent. Business Associate's obligation to indemnify shall survive the expiration or termination of this Agreement regarding any Claim brought under this Agreement.

VI. MISCELLANEOUS

- 6.1 **Agreement Subject to All Applicable Laws.** The Parties recognize and agree that this Agreement and their activities are governed by federal, state, and local laws, including the Social Security Act; regulations, rules, and policies of the U.S. Department of Health and Human Services; various state laws; among others, and including but not limited to the Regulations. The Parties further recognize and agree that this Agreement is subject to new legislation, as well as amendments to government regulations, rules, and policies and agree that this Agreement will be amended by written agreement of both Parties to include any additional promulgated Regulations, which amendment shall be effective on the applicable compliance date specified in such additional Regulations.
- 6.2 **No Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.
- 6.3 **Survival.** The rights and obligations of the Parties in Section 4.4 and Article V shall survive termination of this Agreement indefinitely.
- 6.4 **Interpretation.** The terms and conditions of this Agreement shall supersede the terms and conditions of the Services Agreement that are inconsistent with or in conflict with the terms and conditions of this Agreement.
- 6.5 **Amendment.** Unless otherwise set forth herein, this Agreement may be revoked, amended, changed or modified only by a written amendment executed by both Parties.
- 6.6 **Execution/Authority.** Each signatory to this Agreement represents and warrants that he or she possesses all necessary capacity and authority to act for, sign, and bind the respective entity or person on whose behalf he is signing.
- 6.7 **Notice.** All notices and other communications under this Agreement shall be in writing and shall be deemed received when delivered personally or when deposited in the U.S. mail, postage prepaid, sent registered or

certified mail, return receipt requested or sent via a nationally recognized and receipted overnight courier service, to the Parties at their respective principal office of record as set forth below or designated in writing from time to time. No notice of a change of address shall be effective until received by the other Party(ies).

Business Associate

With a copy (which shall not constitute notice) to:

US Acute Care Solutions, LLC
1249 Telecom Drive
Tampa, FL 33637

Covered Entity

With a copy (which shall not constitute notice) to:

AdventHealth Wesley Chapel
2600 Bruce B Downs Blvd
Wesley Chapel, FL 33544
Attn: Privacy Officer

AdventHealth West Florida Division
14055 Riveredge Drive, Suite 250
Tampa, FL 33637
Attn: Legal Services

- 6.8 **Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such affected provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law. It is further the intention of the Parties that if any provisions of this Agreement are capable of two constructions, one of which would render the provision void and the other one which would render the provision valid, then the provision shall have the meaning which renders it valid.
- 6.9 **Successors and Assigns.** This Agreement shall be binding upon, and shall inure to the benefit of the Parties hereto, their respective successors and permitted assigns.
- 6.10 **Waiver of Breach.** No failure by a Party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, agreement, term or condition. Any Party may waive compliance by the other Party with any of the provisions of this Agreement if done so in writing. No waiver of any provision shall be construed as a waiver of any other provision or any subsequent waiver of the same provision.
- 6.11 **Damages.** Any limitation or exclusion of damages contained in the Services Agreement shall not apply to the enforcement of this Agreement.
- 6.12 **Transactions and Code Set Compliance.** To the extent that Business Associate submits standard transactions on behalf of Covered Entity, or assists Covered Entity with submission of standard transactions, Business Associate will comply with the HIPAA Transaction and Code Set Rule (codified at Part 162 of Title 45 of the Code of Federal Regulations), as such may be amended, extended or replaced from time to time.

**THIRD AMENDMENT OF
MEDICAL DIRECTOR AGREEMENT
(Ground Transport/EMS Program)**

This Amendment of Medical Director Agreement ("Amendment") is effective as of March 31st, 2024 ("Effective Date") between **PASCO-PINELLAS HILLSBOROUGH COMMUNITY HEALTH SYSTEM, INC.**, a Florida not for profit corporation d/b/a **ADVENTHEALTH WESLEY CHAPEL** ("Hospital"), and **TAMPA BAY EMERGENCY PHYSICIANS, LLC** ("Group").

WHEREAS, the Hospital and Group are parties to that certain Medical Director Agreement for Ground Transport/EMS Program dated October 1, 2019, as amended February 2, 2021, January 1, 2022, and January 1, 2024 (the "Agreement"); and

WHEREAS, the parties continued to operate under the same terms and conditions as the Agreement since January 1, 2024 as reflected by a collection of documents including medical director logs and invoices and as is now being memorializing in this Amendment and;

WHEREAS, the parties wish to make additional modifications to the Agreement and extend the Term;

ACCORDINGLY, the parties agree as follows:

1. Term. The Hospital and Group hereby agree to extend the term of the Agreement from March 31, 2024, through December 31, 2026 (the "Term"), such extension to be upon and subject to all the terms, provisions, and conditions of the Agreement.
2. Exhibit "A" Duties of Group's Physician shall be amended to add the following additional duties:
 - Advise, supervise and participate as necessary in developing and facilitating community paramedicine program in conjunction with Pasco County Fire Rescue.
 - Advise, supervise and participate as necessary in developing and facilitating MIH-P paramedicine program.
 - Supervisory Services. Group hereby agrees to be responsible for the supervision of a mid-level provider, specifically, Allison Sutton, APRN, who is employed by Hospital. Group shall provide such supervisory services according to the standards set by the State of Florida and the requirements of the Hospital Medical Staff Bylaws and Rules and Regulations, including:
 - i. Medical Group shall be responsible for the supervision of the mid-level provider who shall be employed by Hospital.
 - ii. Medical Group shall enter into a written Protocol Agreement with the mid-level provider, as required by the State of Florida and the Employer (the "**Protocol Agreement**") which meets all requirements under applicable laws, regulations and policies.
 - iii. The final Protocol Agreement shall be reviewed and approved by the Hospital prior to its finalization.
3. Compensation. Section 7 of the Agreement shall be amended and restated in its entirety as follows:

"7) Compensation and Reimbursement. Group's Medical Director and Associate Medical Director will devote a maximum of one hundred and thirty (130) hours per month to providing the services hereunder. Associate Medical Directors shall not account for more than Sixty-Five (65) of the one hundred and thirty hour maximum. The Hospital shall pay Group a fair market value compensation amount of ONE HUNDRED AND FIFTY DOLLARS (\$150) per hour for all Services performed and documented; provided, however, that the maximum amount paid shall not exceed TWO HUNDRED AND THRITY THOUSAND (\$230,000) per year. Payment shall be made within

thirty (30) days of submission each month by Group's Physicians of time records described in Section 6 reflecting the Services rendered by Group's Physicians during the preceding month. Compensation will be made pursuant to this Agreement solely for Administrative Services provided to Hospital." In the event that Physician Medical Director participates in a Hospital/Medical Staff Initiative in furtherance of the medical director duties outlined in the Agreement which involves either overnight travel or expenses for items such as travel, lodging, and meals, upon receipt of original receipts and documentation from Physician, for reasonable, Hospital will reimburse approved expenses (e.g., travel, lodging, meals, etc.) associated with Physician's participation in a Hospital/Medical Staff Initiative in accordance with applicable Hospital policies and procedures. Hospital reserves the right to remit payment for approved expenses to the relevant vendor (e.g., travel, lodging, meals, etc.) at its discretion rather than requiring Physician to incur said expenses and submit for reimbursement. In order for Physician to receive compensation and reimbursement for expenses for participation in a Hospital/Medical Staff Initiative in furtherance of the medical director duties outlined in the Agreement, (a) Physician shall request approval from the Executive Director of EMS/ AirStar in advance of incurring said expenses; and (b) Physician shall submit proof of payment to Hospital with original receipts and documentation within thirty (30) days after the month when Physician incurs the approved expenses for the Hospital/Medical Staff Initiative as set forth in the applicable Hospital policies and procedures. Physician shall not submit duplicate time records for Medical Director Services or any other administrative service or clinical service that Physician performs while attending and/or participating in any Hospital/Medical Staff Initiative. The Physician Medical Director shall maintain his/her membership in The National Association of EMS Physicians (NAEMSP), Florida Association of EMS Medical Directors (FAEMSMD), and Air Medical Physician Association (AMPA) which Hospital shall reimburse up to \$1,250.00 annually within thirty (30) days of receiving proof of payment from Physician Medical Director.

4. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this Amendment and the Agreement or any earlier amendment, the terms of this Amendment will prevail.
5. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Facsimile and electronic signatures of this instrument shall be deemed originals and binding on all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be effective as of the date first written above.

HOSPITAL

ADVENTHEALTH WESLEY CHAPEL

GROUP

TAMPA BAY EMERGENCY PHYSICIANS,
LLC

DocuSigned by:
By: Ryan Quattlebaum
Title: President/CEO
Print Name: Ryan Quattlebaum
Date: 2/10/2025

DocuSigned by:
By: Brandon Lewis
Title: President, Southeast Division
Print Name: Brandon Lewis
Date: 2/12/2025

Your license number is ME 87287.

Please use it in all correspondence with your board/council. Each licensee is solely responsible for notifying the Department in writing of the licensee's current mailing address and practice location address. If you have not received your renewal notice 90 days prior to the expiration date shown on this license, please visit www.FLHealthSource.gov and click "Renew A License" to renew online.

The Medical Quality Assurance Online Services Portal gives you the ability to manage your license to perform address updates, name changes and much more.



STATE OF FLORIDA
DEPARTMENT OF HEALTH
DIVISION OF MEDICAL QUALITY ASSURANCE

DATE	LICENSE NO.	CONTROL NO.
DECEMBER 17, 2024	ME 87287	940272

THE MEDICAL DOCTOR

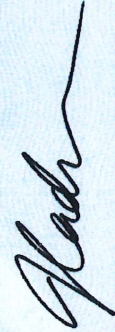
NAMED BELOW HAS MET ALL REQUIREMENTS OF
THE LAWS AND RULES OF THE STATE OF FLORIDA.

EXPIRATION DATE: JANUARY 31, 2027

FREDERICK TODD YONTECK
4535 DRESSLER ROAD NW
CANTON, OH - 44718



Ron DeSantis
GOVERNOR



Joseph A. Ladapo, MD, PhD
STATE SURGEON GENERAL

Scan QR Code for
License Authentication



DISPLAY IF REQUIRED BY LAW

STATE OF FLORIDA DEPARTMENT OF HEALTH DIVISION OF MEDICAL QUALITY ASSURANCE		
DATE	LICENSE NO.	CONTROL NO.
DECEMBER 17, 2024	ME 87287	940272
THE MEDICAL DOCTOR NAMED BELOW HAS MET ALL REQUIREMENTS OF THE LAWS AND RULES OF THE STATE OF FLORIDA.		
FREDERICK TODD YONTECK		
Expiration Date: JANUARY 31, 2027		
LICENSEE SIGNATURE		

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
BY7503053	05-31-2028	\$888
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N,3, 3N,4,5	PRACTITIONER	05-14-2025
YONTECK, FREDERICK T MD 30000 COUNTY LINE RD WESLEY CHAPEL, FL 33543		

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION
WASHINGTON D.C. 20537

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

Form DEA-223 (9/2016)

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
BY7503053	05-31-2028	\$888
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N,3, 3N,4,5	PRACTITIONER	05-14-2025
YONTECK, FREDERICK T MD 30000 COUNTY LINE RD WESLEY CHAPEL, FL 33543		

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION
WASHINGTON D.C. 20537

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
BY7503053	05-31-2028	\$888
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N,3, 3N,4,5	PRACTITIONER	05-14-2025
YONTECK, FREDERICK T MD 30000 COUNTY LINE RD WESLEY CHAPEL, FL 33543		

CONTROLLED SUBSTANCE/REGULATED CHEMICAL
REGISTRATION CERTIFICATE
UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION
WASHINGTON D.C. 20537

Sections 304 and 1008 (21 USC 824 and 958) of the
Controlled Substances Act of 1970, as amended, provide
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**THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF
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AND IT IS NOT VALID AFTER THE EXPIRATION DATE.**

Form DEA-223/511 (9/2016)

**REPORT
CHANGES
PROMPTLY**

REQUESTING MODIFICATIONS TO YOUR
REGISTRATION CERTIFICATE

To request a change to your registered name, address, the drug
schedule or the drug codes you handle, please

1. visit our web site at deadiversion.usdoj.gov - or
2. call our customer Service Center at 1-(800) 882-9539 - or
3. submit your change(s) in writing to:
**Drug Enforcement Administration
P.O. Box 2639
Springfield, VA 22152-2639**

See Title 21 Code of Federal Regulations, Section 1301.51
for complete instructions.

----- You have been registered to handle the following chemical/drug codes: -----



COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Attachment 8

Statement from Medical Director attesting to
EMTs and Paramedics certification, qualification, and authorization.

Attached Yes ☒ / No ☐



07/07/2025

Chief Jason Fair
Charlotte County Fire & EMS
26571 Airport Road
Punta Gorda, FL 33982

Dear Chief Fair,

Please allow this letter to serve as my verification and certification that all AdventHealth Wesley Chapel EMS employees, RN, Paramedic and EMT's, are appropriately certified by the State of Florida and remain current under all provisions of Florida Statute 401 and FAC 64J. I further certify that I have evaluated and confirmed the skills and ability of each employee who provides care under my direction. These employees are further authorized to provide specific care, BLS, ALS and Critical Care as outlined in both the protocol and TTP manuals which I have reviewed, confirmed, and signed.

A handwritten signature in black ink, appearing to read "F. T. Yontek", is written over a horizontal line.

Frederick Todd Yontek, MD
AdventHealth EMS / AirStar
Medical Director



COPCN Application Review Checklist

Department of Public Safety

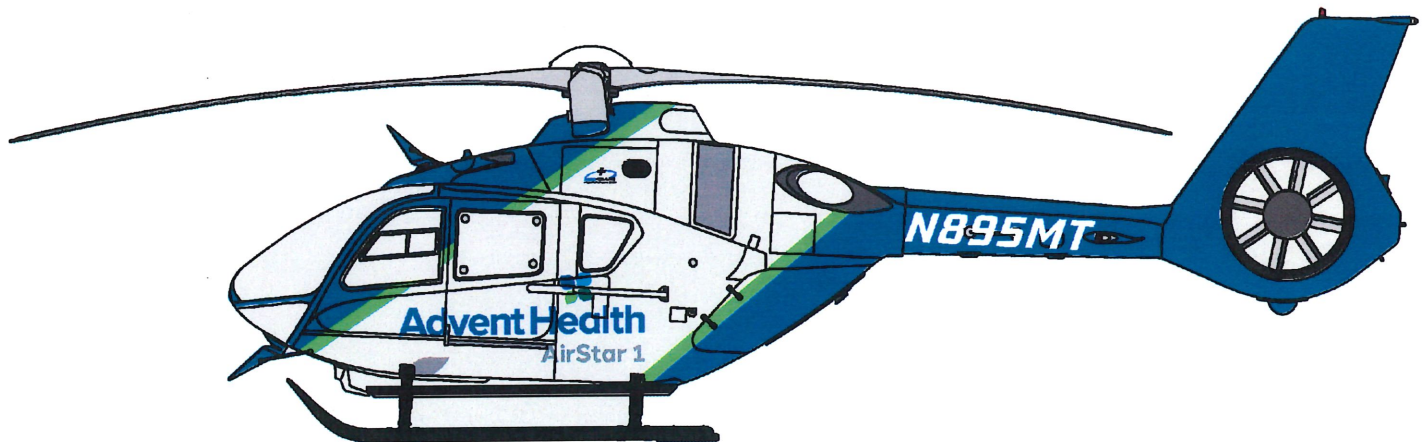
26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Attachment 9

Trauma Transport Protocols signed by Medical Director

Attached Yes ☒ / No ☐

AdventHealth EMS Trauma Transport Protocol



IN ALIORUM SERVITIUM

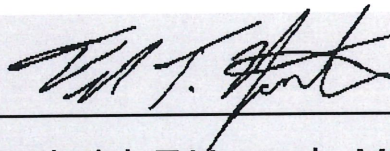
Trauma Transport Protocol

TRAUMA TRANSPORT PROTOCOL

ADVENTHEALTH EMERGENCY MEDICAL SERVICES

- I PURPOSE
- II DISPATCH PROCEDURE
- III DETERMINATION / RESPONSE OF CLOSEST UNIT
- IV PROCESS FOR 911 / PRE-HOSPITAL ASSISTANCE REQUEST
- V PROCESS FOR AHEMS ASSISTANCE REQUEST
- VI PRE-HOSPITAL TRAUMA CARE PROCEDURES
- VII ADULT TRAUMA SCORECARD METHODOLOGY
- VIII PEDIATRIC TRAUMA SCORECARD METHODOLOGY
- IX TRANSPORT DESTINATION CRITERIA
- X EMERGENCY INTERFACILITY TRAUMA TRANSFER
- XI DEVIATION STATEMENT

Effective - July 01, 2024



Frederick T Yonteck, MD
Medical Director - AdventHealth Emergency Medical Services



Trauma Transport Protocol

I PURPOSE:

To ensure that the condition of all trauma patients, both adult and pediatric, is assessed utilizing the methodology described herein to determine the appropriate destination as provided in Florida Administrative Code.

AdventHealth EMS (AHEMS) provides Emergency Medical Service and Critical Care Transport Service primarily for the interfacility transport of AdventHealth patients. AHEMS consists of a Florida certified/licensed EMT, EMT-P, Critical Care Paramedic, & RN.

AHEMS is divided into four (4) Battalions: Tampa, Lakeland/Avon Park, Ocala, and AirStar.

AHEMS does not primarily function as a 911 responding unit, but the Ocala and AirStar division will operate as the local EMS 911 system if called for mutual aid.

Otherwise, local EMS and the local 911 PSAP shall be activated for all instances when AHEMS is exposed to a pre-hospital trauma patient (still-alarm). Appropriate patient care will be rendered consistent with local EMS TTP's. Local EMS must be activated for all trauma patients, and care is relinquished upon EMS arrival.

II DISPATCH PROCEDURE:

Should an AHEMS crew encounter a walk-up or drive upon a pre-hospital trauma patient. The AHEMS crew will contact and request AHEMS Dispatch to activate the local 911 PSAP system to respond to the incident. The AHEMS team shall provide appropriate patient care until the arrival of local 911 EMS providers.

Information to be obtained from the AHEMS crew or 911 caller:

- A. Location of incident
- B. Type of incident
- C. Telephone number of caller
- D. Estimated number of injured
- E. Extent and severity of injuries
 - 1. Conscious or Unconscious
 - 2. Breathing or Apneic
- F. Extrication indicated
- G. Hazards – Hazardous material involved



Trauma Transport Protocol

III

DETERMINATION / RESPONSE OF CLOSEST UNIT

Pre-hospital EMS Response is determined by utilizing Computer Aided Dispatch (CAD) from the originating 911 PSAP, which recommends the closest appropriate EMS, Fire, and Law enforcement unit(s).

Local area fire departments provide first responder level care, extrication and fire suppression.

Closest AHEMS Supervisor shall respond and act as a liaison until appropriate personnel arrives on the scene.

AHEMS Crew on the scene of the still-alarm may:

- Request multiple-unit response;
- Request Air Transport Unit (ATU);
- Requests for ATU will go to originating 911 PSAP.

IV

PROCESS FOR 911 / PRE-HOSPITAL ASSISTANCE REQUEST

- A. AHEMS Crew notifies AHEMS Dispatch of need for 911/pre-hospital assistance.
- B. AHEMS Dispatch will request local 911 PSAP based on AHEMS Crew location.
- C. Aeromedical Transport may be requested by AHEMS Crew.
 1. Aeromedical request must be forwarded to 911 PSAP.
- D. All transports shall be completed by Fire Rescue/EMS crews.
- E. Patient care shall be provided until arrival of EMS/Fire Rescue crews.
- F. Patient care transferred to Fire Rescue/EMS crew after report is given.

V

PROCESS FOR AHEMS ASSISTANCE REQUEST

- A. 911 PSAP notifies AHEMS/AirStar Dispatch of need for 911/pre-hospital assistance.
- B. AHEMS/AirStar Dispatch will dispatch closest AHEMS Crew.
- C. AHEMS Crew will communicate with 911 PSAP for remainder of call.
- D. AHEMS Crew will advise AHEMS Dispatch once available.



Trauma Transport Protocol

VI

PRE-HOSPITAL TRAUMA CARE PROCEDURES

- A. Upon arrival at the location of an incident, an EMT or Paramedic shall:
Assess the condition of each adult trauma patient using the TRAUMA SCORECARD METHODOLOGY as provided in section seven (VII). The EMT/Paramedic shall assess the condition, determine the vital signs, determine the Glasgow Coma Score and the anatomy or mechanism of injury to determine the transport destination as per Florida Administrative Code and page 5 of this document: **OR**
Assess the condition of each pediatric trauma patient using the PEDIATRIC TRAUMA SCORECARD METHODOLOGY as provided in section eight (VIII) and as defined by Florida Administrative Code, on page 6 of this document.
- B. The AHEMS Patient Care Report (PCR) shall be completed for all patients with traumatic injuries regardless of severity. The report shall indicate the time and date of the injury; the county where the injury occurred, the patient's county of residence; the cause, site, and type of injury; the criteria utilized to determine Trauma Alert status; and any protective devices used if the patient was involved in a motorized vehicle, bicycle or marine crash. A copy of the PCR shall be delivered with the patient to the transporting helicopter air transport crew or on arrival at the receiving facility. Completed PCRs will be transmitted electronically to the receiving facility as soon as possible within twenty-four (24) hours and will be sent electronically to the AHEMS administrative office. Required data shall be filed electronically to the State EMS OFFICE.
- C. The on-scene Paramedic will notify the appropriate 911 PSAP via radio on the assigned radio group of a **trauma alert** utilizing the words "**Trauma Alert,**" followed by the criteria used to determine the patient as an alert.
- D. If the condition of the patient or patients exceed(s) the resources and capabilities of the unit or units on scene (more patients than the on-scene units or personnel can handle), then a request for additional resources shall be made through the 911 PSAP.
- E. Authorization for canceling the Trauma Alert may only be issued by the AHEMS Medical Director or the receiving SATC or SAPTC physician.
- F. **Paramedic Discretion**
Should a patient not meet any of the criteria for trauma alert, however, in the paramedic's judgment, the patient will benefit from trauma alert status due to extenuating circumstances, may declare the patient a trauma alert utilizing this as a criterion.



Trauma Transport Protocol

VII ADULT TRAUMA SCORECARD METHODOLOGY:

Adult Trauma Triage

- Patients with anatomical and physiological characteristics of a person sixteen (16) years of age or older will be assessed as outlined in 64J-2.004 Florida Administrative Code.
- Patients that meet the following criteria will be classified as a "Trauma Alert."

Blue, any two (2) - transport at a trauma alert

Red, any one (1) - transport at a trauma alert

AIRWAY	<input type="checkbox"/> RESPIRATORY RATE \geq 30	<input type="checkbox"/> ACTIVE AIRWAY ASSISTANCE ¹
CIRCULATION	<input type="checkbox"/> SUSTAINED HR \geq 120 BPM	<input type="checkbox"/> LACK OF RADIAL PULSE WITH SUSTAINED HEART RATE $>$ 120 <input type="checkbox"/> BP $<$ 90 mmHG
BEST MOTOR RESPONSE	<input type="checkbox"/> BMR = 5	<input type="checkbox"/> GCS \leq 12 <input type="checkbox"/> BMR \leq 4 <input type="checkbox"/> PRESENCE OF PARALYSIS <input type="checkbox"/> SUSPICION OF SPINAL CORD INJURY <input type="checkbox"/> LOSS OF SENSATION
CUTANEOUS	<input type="checkbox"/> SOFT TISSUE LOSS ² <input type="checkbox"/> GSW TO THE EXTREMITIES	<input type="checkbox"/> 2° OR 3° BURNS \geq 15% TBSA <input type="checkbox"/> AMPUTATION PROXIMAL TO THE WRIST or ANKLE <input type="checkbox"/> ANY PENETRATING INJURY TO HEAD, NECK, or TORSO ³
LongBONE FRACTURE ⁴	<input type="checkbox"/> SIGN or SYMPTOMS of a SINGLE LONG BONE FRACTURE FROM MVC OR FALL \geq 10' ⁴	<input type="checkbox"/> SIGNS or SYMPTOMS of a FRACTURE OF TWO or MORE LONG BONE SITES ⁴
AGE	<input type="checkbox"/> 55 YEARS or OLDER	
MECHANISM OF INJURY	<input type="checkbox"/> EJECTION FROM VEHICLE ⁵ <input type="checkbox"/> DEFORMED STEERING WHEEL ⁶	

¹ Airway assistance beyond administration of oxygen. ² Degloving injuries, major flap avulsions ($>$ 5 in.). ³ Excluding superficial wounds in which the depth can be easily determined. ⁴ Long bone including the humerus, radius/ulna, femur, and tibia/fibula. ⁵ Excludes: motorcycles, mopeds, ATV's, bicycles, or open body of a pick-up truck. ⁶ Only applies to driver of vehicle.



Trauma Transport Protocol

VIII PEDIATRIC TRAUMA SCORECARD METHODOLOGY:

Pediatric Trauma Triage

- Patients with anatomical and physiological characteristics of a person fifteen (15) years of age or younger will be assessed as outlined in 64J-2.005 Florida Administrative Code.
- Patients that meet the following criteria will be classified as a "Trauma Alert."

Red, any one (1) - transport at a trauma alert

Blue, any two (2) - transport at a trauma alert

Green, follow local protocols.

SIZE	<input type="checkbox"/> > 20 kg (44 lbs)	<input type="checkbox"/> 12 -20 kg (22 - 43 lbs)	<input type="checkbox"/> WEIGHT < 11 kg (24 lbs) <input type="checkbox"/> LENGTH < 33 INCHES ON A PEDIATRIC LENGTH BASED TAPE
AIRWAY	<input type="checkbox"/> NORMAL	<input type="checkbox"/> SUPPLEMENTAL O ₂	<input type="checkbox"/> ASSISTED <input type="checkbox"/> INTUBATED ^①
LOC	<input type="checkbox"/> AWAKE	<input type="checkbox"/> AMNESIA <input type="checkbox"/> POSITIVE LOC	<input type="checkbox"/> ALTERED MENTAL STATUS ^② <input type="checkbox"/> COMA <input type="checkbox"/> PRESENCE OF PARALYSIS <input type="checkbox"/> SUSPICION OF SPINAL CORD INJURY <input type="checkbox"/> LOSS OF SENSATION
CIRCULATION	<input type="checkbox"/> GOOD PERIPHERAL PULSES <input type="checkbox"/> SBP > 90 mmHG	<input type="checkbox"/> LACK OF A PEDAL OR RADIAL PULSE <input type="checkbox"/> SBP < 90 mmHG	<input type="checkbox"/> FAINT OR NON-PALPABLE CAROTID OR FEMORAL PULSE <input type="checkbox"/> BP < 50 mmHG
FRACTURE	<input type="checkbox"/> NONE SEEN OR SUSPECTED	<input type="checkbox"/> SIGN or SYMPTOMS of SINGLE CLOSED LONG BONE FRACTURE ^{③ ④}	<input type="checkbox"/> OPEN LONG BONE FRACTURE <input type="checkbox"/> MULTIPLE FRACTURE SITES <input type="checkbox"/> MULTIPLE DISLOCATIONS ^{③ ④}
CUTANEOUS	<input type="checkbox"/> NO VISIBLE INJURY	<input type="checkbox"/> CONTUSION <input type="checkbox"/> ABRASION	<input type="checkbox"/> MAJOR SOFT TISSUE DISRUPTION ^⑤ <input type="checkbox"/> MAJOR FLAP AVULSION <input type="checkbox"/> 2° OR 3° BURNS > 10% TBSA <input type="checkbox"/> AMPUTATION PROXIMAL TO THE WRIST or ANKLE <input type="checkbox"/> ANY PENETRATING INJURY TO HEAD, NECK, or TORSO ^⑥

① Airway assistance includes manual jaw thrust, continuous suctioning, or use of other adjuncts to assist ventilatory efforts. ② Altered mental status includes drowsiness, lethargy, inability to follow commands, unresponsive to voice, totally unresponsive. ③ Long bone including the humerus, radius/ulna, femur, and tibia/fibula. ④ Long bone fractures do not include isolated wrist or ankle fractures or dislocations. ⑤ Degloving injuries, major flap avulsions, or major soft tissue disruption. ⑥ Excluding superficial wounds in which the depth can be easily determined.



Trauma Transport Protocol

IX

TRAUMA TRANSPORT DESTINATION CRITERIA:

- A. Trauma alert patients shall be transported to the closest SATC or SAPTC in terms of transport time.
- B. If transport to the closest SATC or SAPTC can be accomplished within 30 minutes via ground; the on-scene paramedic shall contact the receiving facility; and transport the patient via ground.
- C. If transport to the closest SATC or SAPTC **cannot** be accomplished within 30 minutes via ground; the on-scene paramedic shall contact the 911 PSAP to request the nearest aircraft transport unit (ATU). The 911 PSAP will contact the closest available ATU.
- D. Paramedics must exercise sound judgment and consider the time of injury, patient contact time, extrication time and estimated transport time.
 - 1. If the estimated response time by the ATU to the scene or closest landing zone exceeds 30 minutes or is not available due to weather, the patient shall be transported by ground ambulance to the nearest appropriate SATC or SAPTC.
 - 2. Trauma Alert Patients in cardiac arrest should be transported to the closest appropriate receiving facility.
 - 3. During Mass Casualty Incidents, trauma alert patients may be transported to the closest appropriate receiving facility at the discretion of the Transport Officer.
- E. Pediatric patients who have been designated as meeting **trauma alert** criteria, regardless of the incident location, shall be transported by ATU, if available, to the closest appropriate SAPTC.
- F. Adult patients who meet **trauma alert** criteria due to significant burn injury, regardless of the incident location, shall be transported by ground or ATU to the closest **burn center** using the criteria set in Section IX, B, C, and I.
- G. Designated **State Approved Trauma Centers (SATC)**:
 - 1. Orlando Regional Medical Center - Level I
 - 2. Tampa General Hospital - Level I
 - 3. Lakeland Regional Medical Center - Provisional Level I
 - 4. Bayfront Health - Level II
 - 5. Blake Medical Center - Level II
 - 6. Gulf Coast Medical Center (Lee Health) - Level II
 - 7. Ocala Regional Medical Center - Level II
 - 8. Regional Medical Center Bayonet Point - Level II
 - 9. Sarasota Memorial Hospital - Level II
 - 10. St. Joseph's Hospital - Level II



Trauma Transport Protocol

IX

TRAUMA TRANSPORT DESTINATION CRITERIA continued:

H. Designated State Approved Pediatric Trauma Centers (SAPTC):

- | | |
|------------------------------------|------------|
| 1. Orlando Regional Medical Center | - Level I |
| 2. Tampa General Hospital | - Level I |
| 3. UF Health Shands Hospital | - Level I |
| 4. John Hopkins All Children's | - Level II |
| 5. St. Joseph's Hospital | - Level II |

I. Designated Burn Centers:

- | | |
|------------------------------------|---------------------------------|
| 1. Orlando Regional Medical Center | - SATC, SAPTC |
| 2. Tampa General Hospital | - SATC, SAPTC |
| 3. UF Health Shands Hospital | - SATC, SAPTC |
| 4. Blake Medical Center | - SATC, Provisional Burn Center |

X

EMERGENCY INTERFACILITY TRAUMA TRANSFER

A. A request for an emergency interfacility trauma transfer is received by AHEMS dispatch. Dispatch will collect the following information:

1. Referring hospital name
2. Location of the patient in the hospital
3. Patients name
4. Receiving hospital and unit
5. Name of referring and receiving physician
6. Nature of patient injuries
7. Patients status (condition)
8. Special needs during transport

B. The dispatcher will contact the receiving hospital to confirm acceptance, confirm bed assignment, and provide all information to the AHEMS Crew.

XI

DEVIATION STATEMENT:

Any deviation from these protocols will be documented and justified on the AHEMS Patient Care report or PCR Addendum Form.





COPCN Application Review Checklist

Department of Public Safety

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Attachment 10

Staffing patterns and Operational hours

Attached Yes ☒ / No ☐



Staffing Patterns

AdventHealth EMS operates 24/7, providing interfacility ALS transport. Charlotte County is AHEMS Battalion 5, structured as follows:

Battalion 5:

- Captain (1): Oversees the battalion, reports to EMS Senior Operations Manager
- Lieutenant (4): Each manages a shift, reporting to the captain

Ambulance Crew:

- ALS Ambulance: EMT & Paramedic or two Paramedics
- ALS Critical Care: EMT, Paramedic, & RN



COPCN Application Review Checklist

Department of Public Safety

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Attachment 11

Proposed Schedule of Rates

Attached Yes ☒ / No ☐

Charges by Company

Company IS PASCO PINELLAS HILLSBOROUGH CO

PASCO PINELLAS HILLSBOROUGH CO

Tax ID: 208488713

Charge	HCPCS	Expected Amount	Start Date	End Date
ALS Assist FLWC A0999	A0999	\$450.00	N/A	N/A
ALS Emergency FLWC A0427	A0427	\$822.56	N/A	5/14/2019
ALS Emergency FLWC A0427	A0427	\$822.56	5/15/2019	2/28/2021
ALS Emergency FLWC A0427	A0427	\$880.14	3/1/2021	12/3/2022
ALS Emergency FLWC A0427	A0427	\$924.15	12/4/2022	2/28/2023
ALS Emergency FLWC A0427	A0427	\$2,866.00	3/1/2023	12/31/2023
ALS Emergency FLWC A0427	A0427	\$3,009.30	1/1/2024	3/24/2024
ALS Emergency FLWC A0427	A0427	\$3,085.00	3/25/2024	N/A
ALS Non-Emergency FLWC A0426	A0426	\$707.02	N/A	5/14/2019
ALS Non-Emergency FLWC A0426	A0426	\$766.38	5/15/2019	2/28/2021
ALS Non-Emergency FLWC A0426	A0426	\$820.03	3/1/2021	12/3/2022
ALS Non-Emergency FLWC A0426	A0426	\$861.03	12/4/2022	2/28/2023
ALS Non-Emergency FLWC A0426	A0426	\$2,464.00	3/1/2023	12/31/2023
ALS Non-Emergency FLWC A0426	A0426	\$2,587.20	1/1/2024	3/24/2024
ALS Non-Emergency FLWC A0426	A0426	\$2,652.00	3/25/2024	N/A
ALS2 FLWC A0433	A0433	\$1,061.06	N/A	2/28/2021
ALS2 FLWC A0433	A0433	\$1,135.33	3/1/2021	12/3/2022
ALS2 FLWC A0433	A0433	\$1,192.10	12/4/2022	2/28/2023
ALS2 FLWC A0433	A0433	\$3,411.00	3/1/2023	12/31/2023
ALS2 FLWC A0433	A0433	\$3,581.55	1/1/2024	3/24/2024
ALS2 FLWC A0433	A0433	\$3,672.00	3/25/2024	N/A
BLS Emergency FLWC A0429	A0429	\$742.00	N/A	5/14/2019
BLS Emergency FLWC A0429	A0429	\$804.54	5/15/2019	2/28/2021
BLS Emergency FLWC A0429	A0429	\$860.86	3/1/2021	12/3/2022
BLS Emergency FLWC A0429	A0429	\$903.90	12/4/2022	2/28/2023
BLS Emergency FLWC A0429	A0429	\$2,292.00	3/1/2023	12/31/2023
BLS Emergency FLWC A0429	A0429	\$2,406.60	1/1/2024	3/24/2024
BLS Emergency FLWC A0429	A0429	\$2,467.00	3/25/2024	N/A
BLS Non-Emergency FLWC A0428	A0428	\$623.28	N/A	5/14/2019
BLS Non-Emergency FLWC A0428	A0428	\$675.22	5/15/2019	2/28/2021
BLS Non-Emergency FLWC A0428	A0428	\$722.49	3/1/2021	12/3/2022
BLS Non-Emergency FLWC A0428	A0428	\$758.61	12/4/2022	2/28/2023
BLS Non-Emergency FLWC A0428	A0428	\$2,144.00	3/1/2023	12/31/2023
BLS Non-Emergency FLWC A0428	A0428	\$2,251.20	1/1/2024	3/24/2024
BLS Non-Emergency FLWC A0428	A0428	\$2,308.00	3/25/2024	N/A
Ground Mileage FLWC A0425	A0425	\$13.78	N/A	5/14/2019
Ground Mileage FLWC A0425	A0425	\$14.84	5/15/2019	2/28/2021
Ground Mileage FLWC A0425	A0425	\$15.88	3/1/2021	12/3/2022
Ground Mileage FLWC A0425	A0425	\$16.67	12/4/2022	2/28/2023

RescueNet™ Reporting

Charges by Company

Company IS PASCO PINELLAS HILLSBOROUGH CO

PASCO PINELLAS HILLSBOROUGH CO

Tax ID: 208488713

Charge	HCPCS	Expected Amount	Start Date	End Date
Ground Mileage FLWC A0425	A0425	\$31.00	3/1/2023	12/31/2023
Ground Mileage FLWC A0425	A0425	\$32.55	1/1/2024	3/24/2024
Ground Mileage FLWC A0425	A0425	\$33.00	3/25/2024	N/A
NSF Charge FLWC A0999	A0999	\$35.00	N/A	12/3/2022
NSF Charge FLWC A0999	A0999	\$36.75	12/4/2022	N/A
SCT FLWC A0434	A0434	\$1,175.54	N/A	5/14/2019
SCT FLWC A0434	A0434	\$1,274.12	5/15/2019	2/28/2021
SCT FLWC A0434	A0434	\$1,363.31	3/1/2021	12/3/2022
SCT FLWC A0434	A0434	\$1,431.48	12/4/2022	2/28/2023
SCT FLWC A0434	A0434	\$4,363.00	3/1/2023	12/31/2023
SCT FLWC A0434	A0434	\$4,581.15	1/1/2024	3/24/2024
SCT FLWC A0434	A0434	\$4,697.00	3/25/2024	N/A
STANDBY 15 MIN FLWC A0999	A0999	\$31.25	N/A	12/3/2022
STANDBY 15 MIN FLWC A0999	A0999	\$32.81	12/4/2022	N/A
STANDBY per hour FLWC A0999	A0999	\$125.00	N/A	12/3/2022
STANDBY per hour FLWC A0999	A0999	\$131.25	12/4/2022	N/A
Stretcher FLWC A0120	A0120	\$205.64	N/A	2/28/2021
Stretcher FLWC A0120	A0120	\$220.03	3/1/2021	12/3/2022
Stretcher FLWC A0120	A0120	\$231.03	12/4/2022	2/28/2023
Stretcher FLWC A0120	A0120	\$444.00	3/1/2023	12/31/2023
Stretcher FLWC A0120	A0120	\$466.20	1/1/2024	3/24/2024
Stretcher FLWC A0120	A0120	\$478.00	3/25/2024	N/A
Wheelchair FLWC A0130	A0130	\$131.44	N/A	5/14/2019
Wheelchair FLWC A0130	A0130	\$142.04	5/15/2019	2/28/2021
Wheelchair FLWC A0130	A0130	\$151.98	3/1/2021	12/3/2022
Wheelchair FLWC A0130	A0130	\$159.56	12/4/2022	2/28/2023
Wheelchair FLWC A0130	A0130	\$271.00	3/1/2023	12/31/2023
Wheelchair FLWC A0130	A0130	\$284.55	1/1/2024	3/24/2024
Wheelchair FLWC A0130	A0130	\$292.00	3/25/2024	N/A



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Attachment 12

SOPs and/or EMS Policies and Procedures

Attached Yes ☒ / No ☐



COPCN Application Review Checklist

Department of Public Safety

26571 Airport Rd • Punta Gorda, Florida 33982 • 941-833-5600 • charlottecountyfl.gov/departments/public-safety

Attachment 13

Governmental Only – Annual Report of Services from previous CY

Attached Yes ☐ / No ☒



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Attachment 14

Non-Governmental Only – Service Justification and Compliance Summary

Attached Yes ☒ / No ☐



Service Justification

Since February 2018, AdventHealth EMS has provided Basic Life Support (BLS), Advanced Life Support (ALS), and Critical Care transport services to its patients. Currently, AHEMS maintains Certificates of Public Convenience and Necessity (COPCN) in good standing with Marion, Pasco, Hillsborough, Polk, Highlands, and Hardee counties. The State of Florida Bureau of EMS has conducted multiple inspections of AHEMS, each resulting in exemplary designations, with records maintained on file at the Bureau.

AHEMS has not been involved in any court actions or lawsuits and remains fully compliant with Florida Statute 401 and F.A.C. 64J. The ongoing need for interfacility transport services is evidenced by current extended response times from local EMS providers when our facilities request transport. AHEMS ensures continuity of care through advanced, specialized training focused on interfacility transport and hospital-based medication infusions—areas that often present challenges in interfacility care. AHEMS believes that when private EMS systems are responsible for interfacility patient populations, unnecessary strain on the 911 system is avoided.