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APPROVAL OF MINUTES
RFP NON-DISCLOSURE AGREEMENT LOG
## RFP DISTRIBUTION LIST TRACKER

<table>
<thead>
<tr>
<th>Contacted by Navigant</th>
<th>Declined to Participate</th>
<th>Indicated Potential Interest</th>
<th>Requested NDA</th>
<th>Executed NDA</th>
</tr>
</thead>
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<td>2 Organizations</td>
<td>11 Organizations</td>
<td>8 Organizations</td>
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<td>9 Organizations</td>
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<tr>
<td>Google</td>
<td>Advocate Health Care</td>
<td>AGRA Capital</td>
<td>Cleveland Clinic</td>
<td>Atrium Health</td>
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<td>WakeMed</td>
<td>Carilion Clinic</td>
<td>Ascension Health</td>
<td></td>
<td>Bon Secours Mercy Health</td>
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<tr>
<td></td>
<td>Geisinger</td>
<td>BlueCross BlueShield</td>
<td></td>
<td>Duke Health</td>
</tr>
<tr>
<td></td>
<td>Haven</td>
<td>of North Carolina</td>
<td></td>
<td>HCA Healthcare</td>
</tr>
<tr>
<td></td>
<td>Intermountain Healthcare</td>
<td>Citi on behalf of Vidant Health</td>
<td></td>
<td>LifePoint Health</td>
</tr>
<tr>
<td></td>
<td>Johns Hopkins Medicine</td>
<td>Cone Health</td>
<td></td>
<td>Novant Health</td>
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<td></td>
<td>Juniper Advisory</td>
<td>Flagstone Heritage</td>
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<td></td>
<td>Kaiser Permanente</td>
<td>Hospital Acquisition Services</td>
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<td>UNC Health Care</td>
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<td></td>
<td>Trinity Health (MI)</td>
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<td></td>
<td>Universal Health Services (UHS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Virginia Mason</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
GOVERNANCE RECAP
## GOVERNANCE RECAP
### CURRENT BARRIERS OR LIMITATIONS IDENTIFIED BY NHRMC BOT

<table>
<thead>
<tr>
<th>Category</th>
<th>Detail</th>
</tr>
</thead>
</table>
| **Diplomatic Hurdles**          | **Board appointment process:**  
• Considerations outside of core competencies may be focus for selection  
• Suggests leadership unreflective of NHRMC’s service area  
• Limits enforcement of accountability |
| **Growth Outside the County**   | **Investments are limited to within New Hanover County:**  
• Creates inability to organically grow throughout the entire service area  
• Restricts participation in merger and acquisition activity outside the County |
| **Branding Inflexibility**      | **Branding flexibility is limited per current contracts:**  
• Prevents alterations to NHRMC “Main Campus” should economic/strategic rationale exist  
• Limits branding of initiatives outside of the County |
| **Financing Opportunity**       | **Borrowing power restricted to County-issued debt or non-recourse debt:**  
• Curtails NHRMC access to capital and ability to make future investments |
| **Investment Limitations**      | **Cash investments limited to highly-rated, highly-liquid securities/investment options:**  
• Prevents investments supporting innovative or higher risk initiatives  
• Reduces ability to effectively respond to newer competition |
| **Scale Limitations**           | **Size and pace of growth is constrained:**  
• Challenging to keep pace with industry transformation and expertise required  
• Unable to achieve fundamental economies of scale needed |
# GOVERNANCE RECAP
## IMPACT OF RESTRUCTURING AS INDEPENDENT

### Barriers or Limitations Identified by NHRMC BOT

<table>
<thead>
<tr>
<th>Organizational Legal Structure</th>
<th>Diplomatic Hurdles</th>
<th>Investments Outside of County</th>
<th>Branding Inflexibility</th>
<th>Financing Opportunity</th>
<th>Investment Limitations</th>
<th>Scale Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No legal structure change</strong></td>
<td>Appointment process</td>
<td>Limited to only cash and non-recourse debt</td>
<td>Branding alterations difficult</td>
<td>NHRMC Obligated Group, limited debt capacity</td>
<td>Only specific, highly conservative investments</td>
<td>Lacking in Scale</td>
</tr>
<tr>
<td><strong>Create System Parent</strong></td>
<td>More flexible if County allows some self-perpetuation</td>
<td>Partially resolved, but no additional debt capacity</td>
<td>Potential flexibility in branding alterations</td>
<td>More options, but no additional debt capacity</td>
<td>Potentially more options but with restrictions</td>
<td>Not Resolved</td>
</tr>
<tr>
<td><strong>Convert to Hospital Authority</strong></td>
<td>Partially resolved (self-perpetuation through nominee process)</td>
<td>Partially resolved, but no additional debt capacity</td>
<td>Commissioners must approve authority name change</td>
<td>More options, but no additional debt capacity</td>
<td>Subject to special regulations</td>
<td>Not Resolved</td>
</tr>
<tr>
<td><strong>Convert to Private nonprofit 501(c)(3)</strong></td>
<td>Current appointment process no longer applies</td>
<td>Partially resolved, but no additional debt capacity</td>
<td>Name changes are not restricted</td>
<td>More options, but no additional debt capacity</td>
<td>Not subject to special regulations</td>
<td>Not Resolved</td>
</tr>
</tbody>
</table>
GOVERNANCE RECAP
OPEN DISCUSSION

Summary of Discussion

- Outlined NHRMC/County current structure
- Summarized key industry trends/ challenges
- Presented current barriers/ limitations identified by NHRMC BOT
  - Diplomatic Hurdles
  - Investment Outside of County
  - Branding Inflexibility
  - Financing Opportunity
  - Investment Limitations
  - Scale Limitations
- Reviewed potential independent, stand-alone restructuring options
  - SystemCo
  - Hospital Authority
  - 501(c)(3) Community General Hospital (public to private nonprofit)
- Summarized Governance Best Practices
  - Health System as Operating Company: Most advanced health systems are functioning as operating companies by standardizing key functions
  - Board Formation and Competencies: Board members should be selected based upon competencies, experience and diversity targets
  - Board Accountability: Boards should maintain the ability to set and enforce participation guidelines
- Presented range of partnership options and implications on governance and control
  - Specific Purpose Contractual Relationships
  - Specific Purpose Joint Ventures
  - Enterprise-Wide Transaction Structures
The PAG identified the following KPE considerations during meeting 7:

- Preserve local representation in NHRMC governance
- Flexibility in legal structure to address identified barriers and limitations
- Achieve governance best practices
- Refined appointment process for addressing political impact & optimizing board competencies
NHRMC STRATEGIC DIRECTION RECAP
Our Mission…

Leading Our Community to Outstanding Health

Vision for the Future…

NHRMC is an industry leader in a new era of healthcare delivery. Our thriving community serves as a national model of achieving excellence for all. We are committed to:

• Fostering a culture of transformation through empowerment, innovation, and inclusivity.
• Delivering exceptional quality, affordability, and personalized experiences throughout the wellness continuum.
• Advancing health and vitality for all through a community integrated model of collaboration.
• Cultivating a diverse and extraordinary workforce dedicated to our mission.

And Values…

Ownership, Teamwork, Communication, Compassion
NHRMC STRATEGIC DIRECTION RECAP
NHRMC STRATEGIC PLAN

Plan on a Page

Over the next five years our success will be measured by the following:

- Increase Consumer Touches
- Reduce Cost of Care
- Eliminate Disparities

We want to excel and distinguish ourselves in the following:

**Access**
- System utilization
- Consumer-centric options
- Ambulatory footprint
- Transparency (internal & external)
- Retail/employer offerings
- Digital strategy/virtual platform

**Value**
- Clinical variation
- Post-acute care network
- Enterprise-wide care continuum
- Cost to deliver care & internal efficiencies
- Payor strategies

**Health Equity**
- Cultural competency
- Community partnerships
- Hiring & recruitment
- Managing risk, starting with employees
- Identify disparities & select initiatives

We will prioritize the following elements across all areas:

- **Quality**
  - Deliver highest quality care

- **Financial Health**
  - Sustain financial well-being

- **Analytics**
  - Strengthen & build system-wide analytic capabilities

- **Innovation**
  - Explore and develop new ideas, products and services

- **Employee Engagement**
  - Engage all in culture of being different & better

- **Consumer Engagement**
  - Be a trusted provider for all health needs

- **Provider Alignment**
  - Grow and retain talent

- **Governance**
  - Create lasting structure to guide system

Leading Our Community to Outstanding Health
### Historical Market Population Growth (2010-2018)

<table>
<thead>
<tr>
<th></th>
<th>Population (% Change)</th>
<th>Over age 65 (% Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hanover County</td>
<td>14.6%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Pender County</td>
<td>19.1%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Brunswick County</td>
<td>27.3%</td>
<td>31.5%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>8.9%</td>
<td>16.3%</td>
</tr>
</tbody>
</table>

### Projected Market Growth Projections (2017-2030)

- **Inpatient:** 24%
- **Outpatient:** 48%
- **Emergency Department:** 54%

Source: U.S. Census Bureau
### Average Occupancy Rate By Unit

<table>
<thead>
<tr>
<th>Unit</th>
<th>FY14</th>
<th>FY19</th>
<th>Ppt. Change FY14-FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Surgery (2)</td>
<td>85.1%</td>
<td>95.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Nephrology (3)</td>
<td>88.8%</td>
<td>95.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Neuro/Surgery (4)</td>
<td>85.6%</td>
<td>94.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Medical (5)</td>
<td>92.1%</td>
<td>95.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Hospitalists (6)</td>
<td>94.3%</td>
<td>91.3%</td>
<td>(-3.0%)</td>
</tr>
<tr>
<td>PCU/Stoke (7)</td>
<td>89.5%</td>
<td>91.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Cardiac Med Tele (8)</td>
<td>84.8%</td>
<td>95.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Cardiac Med/Surg Tele (9)</td>
<td>74.5%</td>
<td>90.5%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Pulmonology/Oncology (10)</td>
<td>88.6%</td>
<td>89.9%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

**Case Mix Index**
- Increased 10.3% over 5 years

**Average Length of Stay**
- Increased 7.8% over 5 years

**Average Occupancy**
North Carolina Urban Hospitals 67%
A Typical Day in NHRMC System:

- 112 patients will be admitted
- 411 patients will visit our emergency departments
- 117 patients will have surgery
- 12 babies will be born
- 121 patients will be transported by AirLink/VitaLink/EMS
- 353 patients will receive cancer treatment

- 1,782 patients will visit NHRMC Physician Group practices
- $3.17 million will be spent on running the hospital
- $1.42 million will be paid to employees
- $627,123 worth of free care will be provided to those who can’t pay

$0 tax dollars will be paid by taxpayers for this service
NHRMC STRATEGIC DIRECTION RECAP
COMMUNITY HEALTH STATUS AND HEALTH NEEDS

**North Carolina Health Outcomes County Ranking**

- North Carolina is ranked 36 of 50 states in America’s Health Rankings 2019 Report
- Within North Carolina, NHRMC’s service area varies in health outcomes and factors with portions of the service area performing in the bottom 20th percentile of the state

**North Carolina Health Factors County Ranking**

- While there are varying levels of performance throughout the service area, there are specific health indicators that present risk for NHRMC’s patient population, including severe housing problems and limited access to healthy food

Source: County Health Rankings & Roadmap, America’s Health Rankings, Healthy North Carolina 2030
DISCUSSION OF NHRMC STRATEGIC NEEDS
STRATEGIC NEEDS

METHODOLOGY

• The following pages detail strategic needs material to the future success of New Hanover Regional Medical Center

• Strategic needs include:
  - **Significant operational needs** required to effectively run the organization today and in the foreseeable future
  - **Programs that would advance the mission** and the population health aspects of the strategic plan
  - **Significant strategic investments** needed to pursue relevant growth opportunities and protect our core business
  - **Scaling health system infrastructure** to anticipate serving as the health system of choice for and meet the growing healthcare demands of the 7-county service area
STRATEGIC NEEDS
IMPLEMENTATION COMPLEXITY AND INVESTMENT

Strategic needs vary in complexity and investment required. The below scales seek to categorize the lift associated with addressing each strategic need.

Implementation Complexity

- **Moderately Complex**
  - Components of program are beginning to be put in place
  - Can be addressed in near-term following investment (12-24 months)

- **Highly Complex**
  - Represents a new program, venture, business process, or clinical service not existing today
  - Likely to require hiring outside experts or finding strategic partners
  - Requires 3+ years

Financial Demand

- **Limited Financial Demand**
  - Low to moderate capital investment needed
  - Moderate additional operating expenses
  - Moderate risk exposure

- **Significant Financial Demand**
  - High capital investment needed
  - High additional operating expenses
  - High risk exposure
## Expansion and Reconfiguration of Acute Care Facilities

### Implementation Complexity:

- Financial Demand:

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
</tr>
</thead>
</table>
| Current bed occupancy at NHRMC Main Campus is above 90% and growth in over-65 population (~18% over 5-years) is expected to drive additional growth and complexity. Capacity and configuration is not sufficient to handle expected growth in volume and complexity (historical 5-year CMI growth of 10.3%) even with expected shift of volumes from inpatient to outpatient setting (e.g., 14% decline in Medicare inpatient utilization) | • Main Campus expansion and investment in other locations to increase capacity and accommodate 24% projected growth in inpatient volume by 2030  
• Service distribution initiative to relocate services from the Main Campus to other acute care facilities and outpatient locations and/or leverage digital solutions where possible | Build additional acute care capacity at the Main Campus in order to ensure that it remains a modern, accessible acute care campus, and distribute certain services throughout the service area to meet population needs more effectively |

### Industry Trends

- Reconfiguring facilities to support lowest cost site of care is a strategic need across the industry, but few systems will need to simultaneously address reconfiguration with demand for increased capacity
- NHRMC will need to pursue a series of investments similar to the single example on the right

### Industry Example

**Situation:** 300+ bed medical center experienced substantial capacity constraints on its main campus

**Solution:** Recommendations were developed to expand outpatient campus to incorporate a specialty hospital of +30 beds, +5 ORs and +30-bay PACU

**Implementation:** 22-month project with expected ~$55 million in investments

Source: Navigant Client and Subject Matter Expert Experience
Ambulatory Network Development

**Implementation Complexity:**

**Financial Demand:**

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
</tr>
</thead>
</table>
| Health system is not configured for value-based care: footprint is largely constrained to New Hanover County and presence within County is concentrated at Main Campus. Additionally, NHRMC must accommodate expected growth of 48% in outpatient volumes by 2030 and offer patients convenient, affordable care options | • New ambulatory locations across the seven county service area to meet patient demand and accommodate service distribution from inpatient to outpatient setting:  
  • Additional primary care sites  
  • Scotts Hill Medical Campus expansion  
  • Central medical office buildings to consolidate specialists  
  • Additional emergency department site  
  • Other varying levels of ambulatory care service locations | Offer 24/7 access, expand access points in areas expecting major growth, and create a regional network within which to direct and coordinate care |

**Industry Trends**

• Health systems are developing ambulatory strategies to increase access, meet patient preferences, and lower cost of care
• Health system revenues have continued to shift towards a greater balance between sites of care from **30% outpatient and 70% inpatient revenue split in 1995** to a **48% outpatient and 52% inpatient revenue split in 2017**. Additionally, the median volume of **outpatient surgeries conducted by non-profit health systems has grown by ~18% over the past 5-years (2014-2018)**

Source: Navigant Client and Subject Matter Expert Experience, AHA, Moodys
STRATEGIC NEED
EVIDENCED-BASED PROTOCOLS

Evidenced-Based Protocols

Implementation Complexity:
Financial Demand:

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
</tr>
</thead>
</table>
| Accelerating efforts to reduce clinical variation and standardize care delivery requires a robust clinical transformation program backed by data systems and additional expertise. NHRMC program build time expected to be 3+ years | • Additional physician and other leaders with expertise in clinical transformation  
• Development of new clinical guidelines for both inpatient and outpatient settings  
• Tech-enablement of adherence (i.e., EMR programming) to streamline workflows  
• Investment in analytics to track adherence  
• Strategy to engage providers in the development, deployment and adherence to guidelines | Reduce clinical variation and increase adherence to standard care pathways to improve outcomes and reduce cost to treat while maintaining personalized and individualized care and service |

Industry Trends

• Waste accounts for an estimated 25% of total health care spending.
• +50% of this waste is due to care variation, including failures of care coordination, failures of care delivery, overtreatment or low-value care and pricing failure

Industry Example

Uniform process for treating stroke and sepsis results in $800,000 in cost savings and revenue in one quarter
• Multidisciplinary care team codeveloped standards of care and streamlined protocols. Data analysts and quality outcomes specialists supported provider leaders

Source: JAMA; Modern Healthcare
**Northwestern Medicine (NM) has developed a three tier post-acute preferred network**

- **Connected Level:** Focus on excellent care, patient care transitions and communication between sites of care
- **Preferred Level:** Connected Level + commitment to collaboration through education, training & technology
- **Preferred Plus Level:** Preferred Level + developing new programs with Northwestern Medicine

---

**Care Coordination Across the Continuum**

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
</tr>
</thead>
</table>
| New value-based payment models are structured on ability to manage care and expenses for services across the continuum including preventative health management and post acute transitions of care. Current system is fragmented and coordination across the continuum is limited | • Analytics to identify quality gaps, high-utilizers, chronic conditions, transitions of care needs  
• Care management programs to address needs (e.g., chronic condition case management, transitions of care, medication adherence)  
• EMR interoperability to support care coordination and communication among providers  
• Preferred, integrated network of skilled nursing facility partners and other long term care providers to provide timely, coordinated transitions of care | Coordinate with providers throughout the continuum to ensure adherence to preventative services, management of chronic conditions, and effective transitions of care to improve care and lower costs |

---

**Industry Example**

Northwestern Medicine (NM) has developed a three tier post-acute preferred network

- **Connected Level:** Focus on excellent care, patient care transitions and communication between sites of care
- **Preferred Level:** Connected Level + commitment to collaboration through education, training & technology
- **Preferred Plus Level:** Preferred Level + developing new programs with Northwestern Medicine

---

Source: Northwestern Medicine Website
# Strategic Need
## ACO and Health Plan Development

### Accountable Care Organization (ACO) and Health Plan Development

**Implementation Complexity:**

**Financial Demand:**

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHRMC launched Medicare Shared Savings Program ACO (19k lives) and Medicare Advantage; Processes to manage population are largely manual and network of participating providers is limited. Transition to value-based care was limited in North Carolina, but recent risk-based contracts with Medicare, Medicaid and BlueCross require NHRMC to accelerate program development</td>
<td>• ACO and value-based contracting functional support areas including care management, coding, quality improvement, and provider engagement departments</td>
<td>Develop risk-sharing arrangements across payers (commercial/direct to employer, Medicaid) to serve patients across all seven counties. Covered lives goal: grow to 100k+ over 3 years</td>
</tr>
<tr>
<td></td>
<td>• Population health management platform to automate processes and support new functional areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Expanded network of providers to meet network adequacy throughout the service area</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Leadership with expertise in health plan operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Data aggregation system to analyze claims, EMR and other data sources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Growth in covered lives to support investment in ACO and Health Plan Development and spread risk over a larger population</td>
<td></td>
</tr>
</tbody>
</table>

### Industry Example

**Henry Ford Health Signs Direct Contract with General Motors**

- 5-year contract covers health services for +20,000 General Motors employees and dependents in Southeastern Michigan
- Agreement sets an annual financial budget for the provision of health services and includes quality, cost and utilization targets that Henry Ford must adhere to

*Source: Crain’s Detroit*
## Strategic Need

### Integrated, Regional Health System

**Implementation Complexity:**  
**Financial Demand:**

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
</tr>
</thead>
</table>
| NHRMC is constrained in its ability to pursue partnerships outside of New Hanover County. These partnerships are required to grow NHRMC as a regional, integrated health system that can offer coordinated care closer to home and drive improvements in health status and outcomes across the seven county service area. | • Partnerships with acute care hospitals, specialty hospitals, SNFs, LTAC, ASCs, medical groups, and other traditional healthcare providers through acquisition or joint venture  
• Joint ventures with non-traditional healthcare providers to drive innovation and create higher margin / higher growth revenue streams to help offset expected losses as reimbursement for other services decline  
• Expertise and capabilities to optimize strategic partnerships | Transition and grow health service operations in order to create a regional network, to improve access and coordinate care throughout the service area |

### Industry Example

UnityPoint Health developed into an integrated system covering 11 markets over the past 30 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>Iowa Methodist, Blank Children’s and Iowa Lutheran merge into Iowa Health to form Iowa Health System</td>
</tr>
<tr>
<td>1995</td>
<td>Acquires hospitals in Cedar Rapids, Waterloo, Sioux City, Dubuque, Fort Dodge, Quad-Cities</td>
</tr>
<tr>
<td>1995</td>
<td>HealthPartners Medicare Advantage JV</td>
</tr>
<tr>
<td>2000</td>
<td>Everly Ball Community Mental Health Services outpatient partnership</td>
</tr>
<tr>
<td>2015</td>
<td>UnityPoint Health-Meriter joins acute rehab partnership with UW Health and Kindred</td>
</tr>
<tr>
<td>2016</td>
<td>Excelera Specialty Pharmacy Network Welcomes UnityPoint at Home</td>
</tr>
<tr>
<td>2019</td>
<td>Operates in IA, IL, and WI with 30+ hospitals, 20+ SNFs, 10+ ASC’s, etc.</td>
</tr>
</tbody>
</table>

*represents select examples to be illustrative rather than a comprehensive list of all UnityPoint M&A and organic development |

Source: UnityPoint Website, Definitive Healthcare
Baylor Scott & White implements automated pricing tool helping patients accurately estimate costs

Costs are projected based on procedure, insurance, demographics, potential deductible obligations and expected authorized amounts from insurance

Source: USC Price School of Public Policy, HealthLeaders
## STRATEGIC NEED
**FULL-SCALE HEALTH EQUITY PROGRAM**

### Full-Scale Health Equity Program

<table>
<thead>
<tr>
<th>Implementation Complexity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Demand:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
</tr>
</thead>
</table>
| NHRMC existing health equity program is limited in scale and funding. Minimal use of data to identify opportunities and measure effectiveness of programs. NHRMC seeks to address regional challenges (i.e., New Hanover County among bottom performers in state on Affordable Housing and Access to Healthy Food) | • Expertise in health equity to design full-scale, community-based programs, develop a funding strategy, and demonstrate expected impact  
• Data analytics to identify disparities in health outcomes by patient origin, ethnicity, socio-economic status to launch targeted initiatives  
• Dedicated resources to engage community partners to co-develop full-scale programs  
• Additional diversity training to equip staff and providers with knowledge to support health equity |

| Targeted Goal | Launch full-scale health equity program to develop community partnerships, address social determinants of health and reduce health disparities. As NHRMC takes on clinical and financial risk among populations, the program must broaden its offerings in order to minimize disparities in health outcomes |

### Industry Example

**Anne Arundel Medical Center (AAMC) – wins AHA’s Carolyn Boone Lewis Equity of Care Award**

- Formed the Health Equity Task Force (HETF), a 22-person board to focus on Health Disparities, Culture of Inclusion and Diversity, and Stepping Into the Community
- “Partnerships are central to our mission of enhancing the health of the people we serve” Partnerships and initiatives include: accurate collection of race, ethnicity and language data to identify disparities; new nonprofit organization to address issues related to racism and discrimination; a non-traditional primary care clinic within a senior apartment complex

Source: Institute for Diversity and Health Equity, Anne Arundel Community Benefit Report
# STRATEGIC NEED
## AVOIDING STAFF SHORTAGES

### Avoiding Staff Shortages

*Implementation Complexity:*

*Financial Demand:*

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<tr>
<th>Current Challenge</th>
<th>Strategic Need</th>
<th>Targeted Goal</th>
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| Like the rest of the healthcare industry, NHRMC will continue to combat shortages in nurses, nurse assistants, healthcare technicians, therapists, etc. Expected population growth and corresponding rise in demand for healthcare services will require NHRMC to grow staff despite industry-wide shortages. Historically, NHRMC grew from just under 4,000 employees to ~7,000 over the past 15 years | • Youth engagement through community partnerships and programs to develop healthcare workers  
• Further development of talent pipeline through partnerships with educational institutions  
• Differentiated value proposition across compensation, benefits, professional development and work environment | Retain existing staff and successfully recruit new talent to ensure adequate staffing as rapid pace of growth continues |

### Industry Example

**Catholic Health (Buffalo, NY) and D'Youville College’s Health Professions Hub**
- Secured a $5 million grant for the development of a Health Professions Hub to offer learning opportunities for high school, undergraduate, and graduate students

**Atlantic Health System (NJ) boasts 91% retention and falls on Fortune’s Best Companies to Work For**
- Sited a key to success as competitive benefits which include on-site child care, financial incentives for healthy living, tuition reimbursement and career coaching

Source: CHA Website, Becker’s Hospital Review
**STRATEGIC NEED**

**DEVELOPING AND RECRUITING TALENT AND EXPERTISE**

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<tr>
<th>Developing and Recruiting Talent and Expertise</th>
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<td><strong>Implementation Complexity:</strong></td>
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<th>Current Challenge</th>
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| To ensure clinician representation at all levels and keep pace with new business models and functions in healthcare, additional expertise is needed | • Recruitment and retention efforts to identify and attract staff with new expertise and competencies outside of traditional healthcare services  
• Formal and informal provider leadership training, development and mentorship programs to develop provider leaders | Recruit talent to successfully expand into new services and develop provider leaders |

**Industry Trends**

• Health systems are increasingly launching formal provider and staff leadership programs to develop talent within their organizations. The most advanced programs are partnerships with local universities to leverage outside expertise in business and healthcare management.

• Successful programs will link formal education with opportunities to lead initiatives within the health system both during and after completion of the program.

Source: Navigant Client and Subject Matter Expert Experience
STRATEGIC NEED
PROVIDER NEEDS

Provider Needs

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| Recent provider needs assessment identified provider recruitment target of at least 90 FTEs based on existing gaps, expected market growth, and succession planning | • To meet community needs, recruitment of additional providers is required: PCP need (20+), Medical Specialist (30+), Surgical Specialist (15+), and Pediatric Specialist (20+)  
• Develop an advanced practice provider strategy to achieve a balanced model  
• Further develop value proposition to attract and retain providers  
  • Engage providers through leadership development programs  
  • Invest in technology to ease day-to-day operations  
  • Identify and deploy additional strategies to support resiliency | Innovations in provider workflow and deployment of advanced practice providers ensures all providers practice at top of license to meet community needs |

Industry Example

**Mayo Clinic Reduces Physician Burnout by 7% at the same time the national rate increased 11%**

Established Program on Physician Well-Being that leads research studies to improve physician well-being:
• Trains new leaders and retrains leaders never taught skills needed to engage healthcare employees  
• Enrolled 1,800+ physicians and scientists in Colleagues Meeting to Promote and Sustain Satisfaction (COMPASS) group meetings to encourage collegiality, shared experience, connectedness, mutual support

Source: American Association for Physician Leadership, American Medical Association, Mayo Clinic Website
## STRATEGIC NEED

### PARTNERSHIPS FOR HIGHLY-SPECIALIZED SERVICES

### Partnerships for Highly-Specialized Services

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| Service area population will not support certain highly-specialized services. No current partnership to ensure patient access and coordination | • Partnerships to provide access to some highly-specialized services (e.g., burns, transplants, highly-specialized pediatrics, etc.) and participation in research trials for rare complex diseases not available within service area  
• Programs to coordinate care that ensure patient records and treatment plan communication with partner | Patients have timely access to highly-specialized services and care leaving the service area is coordinated with preferred partner |

### Industry Example

**Lafayette General Health (745 Beds) and Ochsner open pediatric subspecialty clinic JV (2017)**

- Pediatric specialties planned to be incorporated: cardiology, plastic surgery, gastroenterology and neurology
- Patients and their parents will be able to self-refer to the clinic, and local pediatricians will have the benefit of referring their patients to a pediatric program that is nationally recognized in subspecialty care

Source: Lafayette General Health Website

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**Strategic Need**

**Engaging Independent Providers**

*Implementation Complexity:*

*Financial Demand:*

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| Independent providers are an integral part of the community’s care team. To support community providers and perform on new value-based payments (e.g., bundles, quality measures) NHRMC must continue and further partnerships with independent providers | • Closely aligning with independent medical staff in order to ensure there is a healthy and vibrant group of non-NHRMC employed providers  
• Operational services (GPO, technical support, etc.) to support independent providers  
• Development of and ability to track adherence to performance incentive measures for providers in ACO or health plan network | Continue and expand programs to align with independent medical staff, including joint ventures, service line management, and practice management and support services, as well as stepping-up efforts to recruit independent providers to the Service Area |

**Industry Trends**

Health systems in a market with a high proportion of independent providers have successfully engaged independent providers as an integral part of the care team by working with them to streamline interactions

• Large scale deployment of EMR connectivity and EMR best practice and record completion trainings
• Implement block scheduling to accommodate independent providers and create easy access to operating rooms
• Develop independent physician councils to enable communication channels to talk through pain points

Source: Navigant Client and Subject Matter Expert Experience
# Strategic Need: Consumer-Friendly Technology

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| Current consumer engagement in existing platforms is limited (online portal, telemedicine, app, etc.) and new technology is needed to further leverage connected health | • On-demand urgent care e-visits available to new and existing patients  
• Increase functionality of NHRMC app (i.e., personalization, health data collection, etc.)  
• Further develop telemonitoring capabilities through growth in existing program and partnerships with retail and other conveniently located access points  
• Identification & understanding of consumer needs and preferences  
• Retail-like patient experience, including advancements in scheduling, billing and communication | Provide patient access, support adherence and engagement, and monitor patient health through technology to offer a frictionless experience and improve patient outcomes |

**Industry Example**

**Intermountain Healthcare Implements VisitPay to Transform Patient Financial Experience**

Intermountain-VisitPay Partnership began in 2014 and the patient-facing payment portal went live in 2017

- Over **130,000 users** have registered to use the VisitPay platform
- The health system has watched **patient satisfaction grow to almost 90%**
- Intermountain Healthcare has **enjoyed a 29% yield lift (bottom line)** since implementing VisitPay

Source: VisitPay Website, Becker's Hospital Review
## STRATEGIC NEED
### TELEMEDICINE ADOPTION

### Telemedicine Adoption

*Implementation Complexity:*

*Financial Demand:*

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<th>Current Challenge</th>
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<tr>
<td>NHRMC recently deployed limited telemedicine capabilities and uptake is minimal (primary care visits &lt;500, disease specific pilot programs) and not all telemedicine services are reimbursed under current contracts</td>
<td>• Education and engagement strategy for patients and providers to accelerate adoption&lt;br&gt;• Processes and protocols to integrate telemedicine into patient care processes&lt;br&gt;• Additional programs to offer a broader range of services to a larger patient population&lt;br&gt;• Expertise in telemedicine contracting and coding to ensure reimbursement for services not reimbursed through current contracts</td>
<td>Leverage telemedicine as key component of larger access strategy to improve convenience, engagement, access, and, ultimately, overall health outcomes</td>
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### Industry Example

**Mercy Health (MO) develops world’s first facility dedicated to Telehealth with four stories including:**

- **vICU:** Monitors patients’ vital signs and provides second set of eyes to bedside caregivers in 30 ICUs in five states
- **vStroke:** Stroke cases can be seen immediately by a neurologist via a two-way audio and video connection
- **vHospitalists:** Orders needed tests or reads results, resulting in quicker care
- **vEngagement:** Reduces the patients’ need for hospitalization and helps them live independently longer
- Also designed to be a workspace for developing innovations in patient care, training and product testing

Source: Mercy Virtual Website
## STRATEGIC NEED

### TECHNOLOGY PLATFORM

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<th>Technology Platform</th>
<th>Implementation Complexity</th>
<th>Financial Demand:</th>
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### Current Challenge

Despite significant investment of $750 million in capital investment and operating expenses over the past 10 years, current technology platform is not sufficient to support today’s health system given increasing role and importance of analytics and technology in healthcare delivery.

### Strategic Need

- Analytics to support care coordination, ACO / health plan, clinical transformation, transparency and continuous improvement
- Centralized scheduling platform to improve patient access and convenience
- Improved decision-making and enterprise strategic planning informed by analytics
- Enhanced cybersecurity efforts to protect the organization from data breaches and extortion

### Targeted Goal

Deploy advanced technology platform to support an integrated, regional health system and improve outcomes and health status across the service area.

---

### Industry Example

**Geisinger** integrates EHR data with other sources (satisfaction surveys, wellness apps, etc.)

- Geisinger’s **Unified Data Architecture** (enterprise-wide analytic structure that enables breaking down of big data) results are applied to practical, point-of-care issues.

*Source: Becker’s Hospital Review*
The combined implementation complexity and financial demand of all strategic needs inhibits NHRMC’s ability to optimally address each of these demands at the required pace.

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<th>Strategic Need</th>
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## STRATEGIC NEEDS
### LINK TO GOALS & OBJECTIVES (1/3)

*Addressing NHRMC strategic needs are foundational to achieving the Goals & Objectives*

<table>
<thead>
<tr>
<th>Goals &amp; Objectives</th>
<th>Strategic Need</th>
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<tbody>
<tr>
<td><strong>1. Improving Access to Care and Wellness</strong></td>
<td>Expansion &amp; Reconfiguration of Facilities; Ambulatory Network Development; Care Coordination Across the Continuum; Integrated, Regional Health System; Partnerships for Highly-Specialized Services; Consumer-Friendly Technology; Telemedicine Adoption</td>
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<td><strong>2. Advancing the Value of the Care</strong></td>
<td>Expansion &amp; Reconfiguration of Facilities; Ambulatory Network Development; Evidenced-Based Protocols; Care Coordination Across the Continuum; ACO and Health Plan Development; Transparency; Partnerships for Highly-Specialized Services; Telemedicine Adoption; Technology Platform</td>
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<tr>
<td><strong>3. Achieving Health Equity</strong></td>
<td>Full-Scale Health Equity Program</td>
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Addressing NHRMC strategic needs are foundational to achieving the Goals & Objectives

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<td>4. Supporting our Staff</td>
<td>Full-Scale Health Equity Program; Avoiding Staff Shortages; Developing &amp; Recruiting Talent &amp; Expertise</td>
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<tr>
<td>5. Partnering with Providers</td>
<td>Developing &amp; Recruiting Talent &amp; Expertise; Provider Needs; Engaging Independent Providers; Technology Platform</td>
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<td>6. Driving Quality Care Throughout the Continuum</td>
<td>Care Coordination Across the Continuum; ACO and Health Plan Development; Technology Platform</td>
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<tr>
<td>7. Growing the Level and Scope of Care</td>
<td>Expansion &amp; Reconfiguration of Facilities; Evidenced-Based Protocols; Partnerships for Highly-Specialized Services; Telemedicine Adoption</td>
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## STRATEGIC NEEDS
### LINK TO GOALS & OBJECTIVES (3/3)

*Addressing NHRMC strategic needs are foundational to achieving the Goals & Objectives*

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<th>Guiding Principle</th>
<th>Strategic Need</th>
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<td>8. Investing to Ensure the Long-Term Financial Security</td>
<td>Expansion &amp; Reconfiguration of Facilities; Ambulatory Network Development; Integrated, Regional Health System; Technology Platform</td>
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<tr>
<td>9. Strategic Positioning</td>
<td>Expansion &amp; Reconfiguration of Facilities; Ambulatory Network Development; ACO and Health Plan Development; Integrated, Regional Health System</td>
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<tr>
<td>10. Governance</td>
<td><em>Described in Governance Barriers and Limitations</em></td>
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MEETING FLOW AND NEXT STEPS
MEETING FLOW AND NEXT STEPS
RECAP OF STRATEGIC NEEDS

PAG Support Team suggests introducing topics in one meeting and recapping the discussion in the subsequent meeting:

<table>
<thead>
<tr>
<th>Meeting #7; 1/23/2020</th>
<th>Meeting #8; 2/6/2020</th>
<th>Meeting #9; 2/20/2020</th>
<th>Meeting #10; 3/5/2020</th>
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<tbody>
<tr>
<td><strong>Governance &amp; Organizational Models</strong></td>
<td><strong>Identification of Strategic Gaps</strong></td>
<td><strong>Long-Range Financial Plan</strong></td>
<td><strong>NHRMC Strategic Outlook</strong></td>
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<td>Meeting Topics</td>
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<td>4. <strong>Open Discussion:</strong> Governance KPE Considerations</td>
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<td>4. Option to Remain Independent and Related Effect on County and Tax Payers</td>
<td>b) Major Gaps to Address</td>
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<td>5. <strong>Open Discussion:</strong> Long-Range Financial Plan KPE Considerations</td>
<td>3. Expected Impact of Partnership</td>
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<td>4. <strong>Finalization of Key Proposal Elements for Inclusion in any Go-Forward Recommendation</strong></td>
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The Open Discussion and Recap sessions will inform the draft Key Proposal Elements to be shared with the PAG for review and finalization.
CLOSING REMARKS
Thank You