A Transformative Community-Based Regional Healthcare Partnership

June 10, 2020
Introduction to Novant Health
Novant Health Executive Team

Carl Armato
President & Chief Executive Officer

Tanya Blackmon
EVP & Chief Diversity and Inclusion Officer

Jesse Cureton
EVP & Chief Consumer Officer

Frank Emory
EVP & Chief Administrative Officer

Eric Eskioglu, MD
EVP & Chief Medical Officer

Fred Hargett
EVP & Chief Financial Officer

Jeff Lindsay
EVP & Chief Operating Officer

Denise Mihal
EVP & Chief Nursing and Clinical Operations Officer

Pam Oliver, MD
EVP & President, Novant Health Physician Network

Angela Yochem
EVP & Chief Digital Officer
The mission that drives us and the values that guide us

**Mission**
Novant Health exists to improve the health of communities, one person at a time.

**Vision**
We, the Novant Health team, will deliver the most remarkable patient experience in every dimension, every time.
- Safety • Quality
- Authentic personalized relationships
- Voice & choice • Easy for me
- Affordability

**Values**
- Diversity and Inclusion
- Teamwork
- Personal excellence
- Courage
- Compassion

**Our people**
We are an inclusive team of purpose-driven people inspired and united by our passion to care for each other, our patients and our communities.

**Our promise**
We are making your healthcare experience remarkable. We will bring you world-class clinicians, care and technology — when and where you need them. We are reinventing the healthcare experience to be simpler, more convenient and more affordable, so that you can focus on getting better and staying healthy.
Relentless Pursuit to Deliver Remarkable

EVERY PATIENT, EVERY DIMENSION, EVERY ENCOUNTER

• Extreme Personalized Patient Care
• Unprecedented Access via Consumer Channel of Choice
• Patient Centered, Connected & Integrated Care Delivery
• Deeply Connected to the Communities We Serve
• Highest Standards of Safety & Quality
• Intentional Focus on Population Health and Achieving Health Equity
Community-based
Private 501(c)3
High quality
Physician-centric
Proven ability operating across multiple markets
Focused growth
Financially strong

Note: Markers are for geographic illustration only and do not necessarily represent individual clinics.
By the numbers

- 3,753 Medical staff providers
- 2,671 Beds
- 1,693 NHMG* physicians
- 605 NHMG* clinics
- 15 Medical centers

5.54M Encounters in 2019

1,007,558 MyChart users

143,533 Total surgeries

470,132 Appointments scheduled online in 2019

689 Locations

20,173 Babies born in 2019

134,844 Inpatients cared for in 2019

Team members 29,233

411 ER treatment rooms

139 Operating rooms

54 M Hand washings per year

260,709 Flu shots given in 2019

591,374 Prescriptions filled in 2019

90 Clinical trials

*Novant Health Medical Group

Based on Novant Health data since January 2019
Highest Standards of Safety & Quality
Our people philosophy

At Novant Health, people are our business. We treat each other with respect and compassion. We embrace the differences in our strengths while fostering an environment of inclusion, empowerment, inspiration and courage.

We always remember, our business is the care of all people, starting with our team members.
Early adopter of an operating model that intentionally balances a high-degree of local decision-making and strong local clinical delivery capacity, with recognition of the need to optimize certain functions across broader geographies.
Novant Health Financial Strength

Largest private not-for-profit health system based in NC

- 29,233 team members
- 689 locations
- 15 medical centers
- $5.4 billion revenue generated in 2019
- $4.6 billion net assets as of Dec. 31, 2019
- ‘AA’ category ratings from all three rating agencies

S&P Global

RATINGSDIRECT

North Carolina Medical Care Commission
Novant Health, Inc.

“Stable enterprise profile and strong financial profile trends, namely consistent healthy operating performance and a falling debt load”

“Novant Health has been successful in developing, constructing, and operating new and upgraded facilities in recent years and anticipates continued capital investment”

“Growing volumes across most of its service lines and acute care facilities, which it partially attributes to its favorable low-cost and high-quality status with local payors”

“Balance sheet that has improved dramatically in recent years creating cushion for the system’s COVID-19 response and some capacity for additional debt”

“Should Novant Health be chosen as New Hanover Regional Medical Center’s partner, we believe management is well-positioned to successfully integrate NHRMC into the system”

WWW.STANDARDANDPOORS.COM/RATINGDIRECT

May 13, 2020
Significant Resources including Substantial Liquidity & Debt Capacity

Disciplined growth strategy, coupled with recent capital allocation and deleveraging initiatives, position Novant Health to honor its original proposal despite the COVID-19 pandemic.

**REVENUE**

- **$3.6B** to **$5.4B**
- Average operating income margins from 2012–2019: **4.7%**
- Average OCF margins from 2012–2019: **12.0%**

**NET ASSETS**

- **~$4.6 billion** as of Dec. 31, 2019
- ($ in millions)
  - 2012: **$2,163**
  - 2013: **$2,558**
  - 2014: **$2,665**
  - 2015: **$2,889**
  - 2016: **$3,448**
  - 2017: **$3,930**
  - 2018: **$4,039**
  - 2019: **$4,586**

**DEBT-TO-CAPITALIZATION**

- **23%** as of Dec. 31, 2019

**CASH ON HAND**

- **231** days cash on hand representing ~**$3.2 billion** in cash and marketable securities

CAGR = compound annual growth rate; OCF = operating cash flow
Multi-Pronged Approach to Increasing Access

Organic Growth
Strategic Innovations
Capital Investments
New Partners

Partnering with Specialized Providers to Expand Access and Maximize Care Quality for Our Patients

Investing in Our Markets to Meet the Unmet Needs of Our Communities

HVI Oncology
Mint Hill
Rowan Cancer Center
Huntersville
Creating Change Through Community Partnerships

Michael Jordan gives $7M assist to Novant Health

Novant Health/Winston-Salem State Community Care Cruiser

Mobile Mammography

1,327 Women received free mammography screenings and clinical breast exams

Novant Health and Movement Mortgage’s foundation partnered to open a 6,500-square-foot medical office in west Charlotte. The center has the capacity to serve up to 10,000 patients annually.

Project Care

Congregational Approach to Risk reduction and Empowerment

Provides health & wellness services to members of Winston-Salem’s African American community who are at high risk of chronic diseases.

100% of participants in 2017 saw a decrease in average blood pressure and total cholesterol levels.
Novant Health Provided $993 Million in Community Benefit in 2019

CLOSING THE HEALTH DISPARITIES GAP ON CHRONIC CONDITIONS

8,494 Screenings for chronic diseases through vascular screenings, mammograms and women’s heart risk assessments

MATERNAL AND INFANT HEALTH

5,732 Community members received education about infant care, childbirth preparation and smoking cessation during pregnancy and infant CPR

DIABETES PREVENTION

964 People were members of free diabetes support groups

3,611 Community members were educated on diabetes prevention at senior centers, community clinics, fitness centers and Novant Health facilities

4,547 Team member hours spent on diabetes prevention and management

COMMITMENT TO CHARITY CARE

$153M Charity care provided to patients in 2019

300% Novant Health will commit to increasing NHRMC’s charity care program from 200% to 300% of the Federal Poverty Level
Behavioral Health Services are a Critical Component of Health Equity

In 2019 Novant achieved a 95% compliance in our medical group for opioid prescriptions of less than two weeks post-surgery.

HopeWay is a unique residential treatment facility geared toward those struggling with mental health issues.

900+

suicides estimated as being prevented

Initiated depression screenings as part of regular patient visits in 2018 – over 2 million screenings, identified 80,000+ cases of major depressive disorder and started treatment.
Achieving Health Equity in our Communities
NH Approaches Diversity, Inclusion & Equity as a Culture Change Strategy

Novant Health’s commitment to health equity is fueled by its mission and core values

**Mission**
Novant Health exists to improve the health of communities, one person at a time.

**Vision**
We, the Novant Health team, will deliver the most remarkable patient experience in every dimension, every time.

**Values**
- Diversity and Inclusion
- Teamwork
- Courage
- Personal Excellence
- Compassion

Diversity, Inclusion, & Equity is a shared driver

**Goal 1**
Provider of Choice

**Goal 2**
Employer of Choice

**Goal 3**
Leader in Health Equity
DIVERSITY DEFINED

Diversity is the similarities and differences of people found in our workforce and marketplace (community). Diversity includes many characteristics that may be visible such as race, age, gender and appearance, and it also includes less visible characteristics such as personality, ethnicity, religion, job function, life experience, sexual orientation, gender identity, geography, ability, regional differences, work experience and family situation – all of which make us similar to and different from one another.

INCLUSION DEFINED

Inclusion is intentionally engaging human differences and viewing such differences as strengths in both patients and team members. The key to inclusion is that we value the perspectives and life experiences of each person. These actions build an environment that fosters mutual respect, trust and commitment.
Diversity and Inclusion Listening Tour

Tanya Blackmon, EVP & chief diversity and inclusion officer, spent seven months traveling to speak with nearly 700 team members and members of the community.

8 THEMES EMERGED

1. Strength of Novant Health
2. The executive team
3. Communication: clarity and expectations
4. Organizational culture
5. Accountability
6. Talent management
7. Education: awareness and skill building
8. Patient diversity, access and equity

BASED ON THE FEEDBACK, WE WILL:

Establish a clear vision and strategic plan based on the themes from the listening tour and our mission, vision and values.

Embed diversity and inclusion throughout Novant Health based on the strategic plan for an inclusive culture.

Develop system metrics for supplier diversity, healthcare equity, community outreach and an inclusive culture.
“We are all in the same storm, but not the same boat.”

~ Latino COVID-19 Survivor
Aligning Health Equity with our Community Needs

“...the attainment of the highest level of health for all people...”
~ Healthy People 2020

Health Disparity
Refers to a higher burden of illness, injury, disability or mortality experienced by one population group relative to another group
Informed by individual experience

Health Care Disparity
Refers to differences between groups in health coverage, access to care and quality of care...
Informed by historical design, structural bias
A strategic approach to making “remarkable” real

Patient Safety & Quality
Community Integration
Equitable Access

CLOSING THE GAP

Proactive Data Analysis
Gap/Disparity Revealed
Confirmation
Prioritization
Strategic Execution and Performance Management
Ongoing/Continual Monitoring
Interconnectivity and System-wide Implementation

* Race, Ethnicity and Language, Gender, Age, Payor, Sexual Orientation/Gender Identity
We are intentional about providing programs and services in and throughout our community — beyond the four walls of our facilities.

Connecting With Our Communities

- Community Engagement Advisory Boards
- Patient and Family Advisory Councils
- Business Resource Groups
Community Economic Development

**Program established in 2006**

**Spent $1B with WMBE**
(Women and Minority Owned Business Enterprises) which has promoted economic growth in our communities.

**Received Vizient supplier diversity award in 2019**

- **2006**
  - Began adding MBE contractors

- **2011**
  - Selected Compass/Morrison/Thompson Hospitality for food services (worth $50 million)

- **2013**
  - Awarded office supplies contract to APD (MBE) (worth $6 million)

- **2014**
  - Launched partnership with HSDA, Novation and the Tuck School of Business at Dartmouth
  - First medical office building completed by MBE general contractor (RJ Leeper Construction)

- **2016**
  - Completed first JV project – NHMMC Women’s Center (RJ Leeper and Rodgers Builders)

- **2018**
  - Selected World Wide Technology for consulting and software (over $6 million YTD)
  - Awarded office supplies and furniture to Guy Brown (MBE) $8 million

- **2019**
  - Automated supplier diversity reporting with Supplier Gateway
  - Established Supplier DIAC Work Group

- **2009**
  - Began adding MBE contractors

- **2012**
  - Began reporting Tier 2 spend

- **2014**
  - 2014

- **2017**
  - Launched $5 million loan guarantee program with M&F Bank

- **2018**
  - 2018
Health Equity long-term goal | Closing the gap (2019-2021)

The focus of the long-term goal is to increase the percentage of Asian and Hispanic/Latina patients (two of the fastest growing populations) who receive mammograms.

72% Target for Hispanic/Latina

71% Target for Asian women

While the long-term goal will focus on reducing the healthcare disparity gap, we will, at the same time, strive to increase the percentages of all women who receive mammograms.

76% Target for all women
Novant Health is a Leader in Health Equity

Highlights from a few key areas show gaps are closing and lives are being saved

Cultural Competency Education for MDs Elevates HCAHPS

Family Connects Delivers In-Home Support to New Mothers

Closing the Gap in Pneumonia Readmissions in African Americans

Ensuring Healthy Pregnancies at Brunswick
Testimonial

Elwood Robinson, PhD
Chancellor, Winston-Salem State University
Novant Health Board of Trustees member
Physicians are the Cornerstone of Our Organization
Provider Development and Organizational Leadership

**Physician Councils**

Various forums that allow our physician community to provide input

- Advisory councils
- Annual planning summits
- Provider town halls
- Best practice committees

**Physician Leadership Development and Wellness**

**Novant Health Leadership and Resiliency Program**

- ~1,000 physicians and >3,000 team members have attended the NH Leadership and Resiliency Programs
- Retreat focuses on:
  - Self-improvement
  - Team leaders
  - Bettering patient relationships
- 97th percentile: Participants’ scores in engagement and alignment (up from 60th percentile)

**Focus Topics:**

- Strategic vision
- Operational precision
- Crucial conversations
- Provider communication
- Ethics and professionalism

**ODYSSEY and Launch Onboarding Programs**

Advanced onboarding experience and professional development programs for new physicians and APPs

**Thriving Together**
Novant Health deploys a variety of programs for working with physicians as different markets can have varying characteristics and preferences.

Novant Health is firmly committed to maintaining existing provider partnerships, including partnerships with Wilmington Health and EmergeOrtho.
Novant Health Medical Group by the Numbers

<table>
<thead>
<tr>
<th>Location Growth: 2003 – 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Locations</strong></td>
</tr>
<tr>
<td>Dec-03: 93</td>
</tr>
<tr>
<td>Dec-11: 350</td>
</tr>
<tr>
<td>Dec-19: 605</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provider Growth: 2003 – 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physicians</strong></td>
</tr>
<tr>
<td>Dec-03: 143</td>
</tr>
<tr>
<td>Dec-11: 416</td>
</tr>
<tr>
<td>Dec-19: 1050</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Advance Practice Provider Excludes Locums</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-03: 1112</td>
</tr>
<tr>
<td>Dec-11: 416</td>
</tr>
<tr>
<td>Dec-19: 1596</td>
</tr>
</tbody>
</table>

**Human Experience**
- Provides high-quality care and service

93.0% 4-year average 2016-2019

**Patient Satisfaction**
- Likelihood of recommending practice

86.5% 4-year average 2016-2019

We average **1 new NHMG clinic each week**

Currently serve **4.4 million patients, 1.1 million** of which have a NHMG primary care provider

NHMG clinics complete **>5,500,000 encounters** each year
Intense Focus on Clinical Quality and Patient Safety

Our sophisticated, data-driven approach

- Provider dashboards showing quality performance
- 60 active patient registries
- Predictive risk tools in the EHR for 30-day readmissions/one-year admission risk
- Quality and cost data by provider
- Cost and utilization dashboard for all value-based payor arrangements
- Decision support

Nationally Recognized for Quality of Care

- CLABSI
- CAUTI
- MRSA
- C.diff

Hospital acquired infections per 1000 inpatient discharges - system

- 2015 Baseline
- 2Q 2017
- 3Q 2017
- 4Q 2017
- 1Q 2018
- 2Q 2018
- 3Q 2018
- 4Q 2018
- 1Q 2019
- 2Q 2019
- 3Q 2019
- 4Q 2019

2017 Full Year: 5.19
2018 Full Year: 3.30
2019 Full Year: 2.33

2017 Full Year
2018 Full Year
2019 Full Year

- 0.0
- 1.0
- 2.0
- 3.0
- 4.0
- 5.0
- 6.0
- 7.0

HAI per 1000 inpatient discharges

- HAIs per 1000 inpatient discharges
- CLABSI
- CAUTI
- MRSA
- C.diff

- 2015 Baseline
- 2Q 2017
- 3Q 2017
- 4Q 2017
- 1Q 2018
- 2Q 2018
- 3Q 2018
- 4Q 2018
- 1Q 2019
- 2Q 2019
- 3Q 2019
- 4Q 2019

2017 Full Year
2018 Full Year
2019 Full Year
Quality & Patient Safety are Novant Health’s Top Priorities

<table>
<thead>
<tr>
<th>Novant Health</th>
</tr>
</thead>
<tbody>
<tr>
<td># of System Affiliates with ‘A’ Leapfrog Grade</td>
</tr>
<tr>
<td>Selected Flagship Facility</td>
</tr>
<tr>
<td>Magnet Designation</td>
</tr>
<tr>
<td>CMS Star Ratings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CMS Rating vs. National Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortality</td>
</tr>
<tr>
<td>Safety of Care</td>
</tr>
<tr>
<td>Readmission</td>
</tr>
<tr>
<td>Patient Experience</td>
</tr>
<tr>
<td>Effectiveness of Care</td>
</tr>
<tr>
<td>Timeliness of Care</td>
</tr>
<tr>
<td>Efficient Use of Med. Imaging</td>
</tr>
</tbody>
</table>
Leveraging Technology for Better Outcomes

Synchronized Stroke Care
Automated Detection & Triage

Viz LVO
Automated detection of suspected LVOs using A.I.

Viz CTP
Automated CT perfusion mapping and analysis using A.I.

Viz VIEW
Mobile DICOM viewer for NCCT, CTA, and CTP images.

Viz HUB
HIPAA-compliant calling, texting, and workflow visualization.
Drone Distribution System
COVID-19 Dashboard Demonstration
Greater Winston-Salem

Rolling 3 Weeks* Positive Cases and Positive Case Rate

Rolling 3 Weeks Admissions Trend (includes Weekends)

* Acute and Ambulatory, excludes weekends

*Internal Use Only: Do Not Distribute
# COVID-19 Inpatient Analysis

## Novant Health COVID-19 Discharged Inpatient Analysis

*Data as of 5/26/2020 14:00*

<table>
<thead>
<tr>
<th>Inpatient Mortality</th>
<th>Ventilator</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ No</td>
<td>□ No</td>
</tr>
<tr>
<td>□ Yes</td>
<td>□ Yes</td>
</tr>
</tbody>
</table>

### Gender Filter
- □ F
- □ M

### Race/Ethnicity Filter
- □ Asian
- □ Black or African American
- □ Hispanic or Latino
- □ Other
- □ White or Caucasian

### Facility Filter
- □ NHBMC
- □ NHFM
- □ NHHAMC
- □ NHHMC
- □ NHMMC
- □ NHPMC
- □ NHPWMC
- □ NHRMC

### Comorbidities

<table>
<thead>
<tr>
<th>Key</th>
<th>% Diabetic</th>
<th>% COPD</th>
<th>% Cancer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aubergine = No</td>
<td>61.54%</td>
<td>35.66%</td>
<td>80.11%</td>
</tr>
<tr>
<td>Orange = Yes</td>
<td>85.71%</td>
<td>44.90%</td>
<td>81.02%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Coronary Artery Disease</th>
<th>% End Stage Renal Disease</th>
<th>% Liver</th>
</tr>
</thead>
<tbody>
<tr>
<td>79.12%</td>
<td>20.08%</td>
<td>93.41%</td>
</tr>
<tr>
<td>91.41%</td>
<td>81.09%</td>
<td>98.90%</td>
</tr>
</tbody>
</table>

### Comorbidities

- **DIABETES_ICD**: 35
- **CARDIAC_DISEASE_ICD**: 19
- **OBESITY_ICD**: 13
- **COPD_ICD**: 6
- **ESRD_ICD**: 2
- **CANCER_ICD**: 14
- **HIV_ICD**: 10
- **ASTHMA_ICD**: 5
- **BONE_ICD**: 1
- **SMOKING_ICD**: 6
Educational and Clinical Partnership
Serving New Hanover County & Southeastern North Carolina
Who we are: nationally recognized for leading, teaching and caring

Our mission is to improve the health and wellbeing of North Carolinians and others whom we serve.
We accomplish this by providing leadership and excellence in the interrelated areas of patient care, education, and research.
Our vision: a transformative partnership to serve the people of southeastern North Carolina

Train more medical students and other health professionals at NHRMC by:
- expanding the UNC School of Medicine Branch Campus and
- developing a UNC Health Sciences Campus

Expand patient opportunity to enroll in clinical trials closer to home

Create a strong pipeline for future health professionals through enhanced academic excellence in health sciences, research and joint degree programs

Enhance relationship with NHRMC to provide ongoing high quality and complex care for children
How: local partnerships and an increased investment in the regional clinical workforce

- Grow to 30 medical students per class
- Build health sciences campus with
  - SEAHEC, UNC Wilmington, Cape Fear Community College and the community
  - UNC Chapel Hill - Dentistry, Pharmacy and Allied Health
  - Joint degree programs e.g. MD/MBA
- Bolster research capabilities and local access to clinical trials

- Create a regional pediatric referral center at NHRMC
- Partner with local clinicians to improve access for children
- Enhance children’s care with additional subspecialties
- Tap into UNC Children’s expertise with remote consults and coordinated care when needed
Why: this partnership will greatly enhance the region for decades to come

Improve the health of the region by improving access to high quality care, close to home

Grow the pipeline of a high quality health professionals for the future

Create new jobs, and make the region an even more attractive option for students & trainees

Enhance the profile of the region by making it a destination for health care and education
NHRMC Partnership Vision
Shared Mission, Vision and Values

**NHRMC** aspires to lead our community to outstanding health

**MISSION STATEMENT**

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

**VISION**

We, the Novant Health team, will deliver the most **remarkable** patient experience, in every dimension, every time

**VALUES**

Compassion  
Teamwork  
Communication  
Ownership

Compassion  
Teamwork  
Diversity and inclusion  
Courage  
Personal excellence
Addressing the Needs of Southeastern North Carolina

As the flagship facility and leader of a regionally-focused, integrated delivery network, NHRMC will be the core component and driver of an accelerated regional growth strategy, serving as the catalyst for expanding the communities we serve along the seaboard of North Carolina and potentially portions of South Carolina.

- Strength to strength partnership
- Culture is everything
- Regionalization
- People first
- Expanded medical education
- Local governance
- Economic development

Key Areas:
- NHRMC PSA
- NHRMC SSA
- NHRMC Facility
- Novant Health Facility

Counties:
- Pender
- Onslow
- Duplin
- Columbus
- Brunswick
- New Hanover
- Bladen

52
Positioning NHRMC as a Regional Destination Medical Center

NHRMC will be the local leader of the formative stages of a significant regional expansion strategy, enabling it to be a critical partner with substantial influence and resources as we jointly develop strategic plans.

Coastal community expansion strategy

Service line development & extension, including destination centers

Coordinated, joint planning

Unique opportunities to optimize, accelerate capital plan

Physician recruitment & engagement

Superior safety & quality

Increased roles & responsibilities for Senior Leadership Team

Integrated Regional Network

- New Hanover Regional Medical Center (Flagship)
- Pender Memorial Hospital
- Brunswick Medical Center

- Expanded UNC Health Medical Education Partnership
- Continuation of Existing Provider Partnerships
- New Shared Services Center & Corporate Department
- Full Resources of Novant Health
Novant Health is Committed to Partnering with NHRMC

Proposal Achieves Every Strategic Objective, Delivering Value to All Stakeholders

- Improving access to care & wellness
- Advancing the value of care
- Achieving health equity
- Engaging staff
- Partnering with providers
- Driving quality of care across continuum
- Growing level & scope of care
- Investing to ensure financial security
- Strategic positioning
- Governance
Relentless Pursuit to Deliver Remarkable and Achieve Excellence for All