Through a long-term lease, Atrium Health will invest more than $3.1 billion in your community over the next four decades, and you will not have to sell your hometown hospital.

Atrium Health is a nonprofit healthcare system with a mission to improve health, elevate hope and advance healing – FOR ALL. As the preeminent healthcare system in North Carolina, we will invest in the people, technology and clinical services necessary in New Hanover County and the surrounding area to “lead your community to outstanding health.” Atrium Health will ensure NHRMC thrives as the region’s economic engine and center for healthcare.

### Key Points from RFP Sections

<table>
<thead>
<tr>
<th>Goals and Objectives</th>
<th>Proposed Strategic Partnership</th>
</tr>
</thead>
</table>
| 1. Improving Access to Care and Wellness | Atrium Health is a not-for-profit healthcare system with a mission to improve health, elevate hope and advance healing – FOR ALL. As detailed in our proposal, we are committed to investing in the people, technology and clinical services necessary in New Hanover County and the surrounding region, to “lead your community to outstanding health” for decades to come. Below we highlight just a few examples that differentiate Atrium Health from other providers.  
  - Atrium Health Medical Group is one of the largest medical groups in the nation with over 2,900 physicians, including 900+ primary care physicians, across 900+ care locations. Atrium Health is a proud partner of the New Hanover Medical Group today, helping to grow the network together from 23 to 207 providers since 2009. As part of our proposed strategic partnership, Atrium Health will continue to bring industry leading capabilities to improve health, enhance access and make wellness a reality across Southeastern, North Carolina.  
  - Atrium Health is committed to scaling our virtual care infrastructure and unique capabilities to NHRMC. We have become a national leader offering 25 services at 79 locations in 18 communities and impacting over 100,000 lives each year. Our virtual care suite of services includes virtual behavioral health, virtual urgent care, virtual specialty care, and e-ICU, and together we can make a real difference for all patients with technology.  
  - Atrium Health has transformed care in rural communities for decades across the region. It is important that NHRMC chooses a partner, like Atrium Health, who has demonstrated experience in managing and developing innovative and sustainable health delivery models for rural communities through both our owned and managed hospitals (outlined in detail in Section 1.11 of our RFP response). |
| 2. Advancing the Value of Care | Atrium Health brings the experience, skill and proven track record of success needed as we move toward a value driven system of care. As detailed in our RFP response, Atrium Health has invested in a suite of capabilities that will collectively provide the tools & information needed to support care transformation at NHRMC.  
  - Atrium Health operates one of the nation’s largest accountable care organizations (ACO), with over 82,000 attributed lives and 2,600 aligned physicians. In 2018, we scored 100 out of 100 for quality, performance interoperability and improvement activities. As a result, we earned a 1.68% upward rate adjustment for Part B professional claims for all ACO MSSP participants. |
- Atrium Health will bring deep population health, care management and analytical capabilities to NHRMC through our scalable clinically integrated network infrastructure, Carolinas Physician Alliance (CPA). This physician led organization of 2,600 aligned physician and 3 local chapters, achieved a total shared of $22.9 million dollars in 2018 alone.
- Atrium Health will bring unique approaches to collaborating with insurance companies to launch new value based co-branded health insurance plans to lower the cost of health insurance for our patients. To date, over 600,000 individuals have participated in one of these co-developed insurance plans.

### 3. Achieving Health Equity

NHRMC and Atrium Health share a common commitment to improving the health and welfare of the communities they serve. Historically, each system has enhanced access to healthcare, increased affordability of care, and improved overall health equity. This common commitment with NHRMC to serve everyone will be foundational to our success together.

- **No other organization in North Carolina lives the “For All” mission like Atrium Health.** In 2018, we provided $2.07 billion ($5.67 million each day) in total Community Benefit, placing us at 130% of the benchmark average for North Carolina providers.
- Atrium Health is committed to caring for the most vulnerable members of our communities, which could not be more evident than our comprehensive behavioral health capabilities. Recognized as a national leader in this space, Atrium Health will work with NHRMC and community leaders to address critical behavioral health issues in the region.
- **“Diversity and Inclusion” is a core part of who we are at Atrium Health.** Earlier this year, the Centers for Medicare & Medicaid Services (CMS) recognized Atrium Health as a 2020 CMS Health Equity Award recipient – the only non-profit healthcare system in the nation to receive this honor. We could not be more excited to work with NHRMC to expand our reach together.

### 4. Engaging Staff

Atrium Health is committed to maintaining and growing local employment opportunities as part of the proposed strategic partnership with NHRMC.

- In keeping with our track record of maintaining and growing the local employment base when we partner with a local provider, **Atrium Health will maintain the current NHRMC employment base and over time grow the enterprise and thus grow local employment.**
- Atrium Health believes our people are our greatest asset, and we are a demonstrated leader in teammate investment. Most recently, we invested over $19 million to increase wages for over 15,000 nurses and nursing support staff in 2019. We would be honored to welcome the NHRMC team into the Atrium Health family.
- Atrium Health believes talent and culture drive transformation, growth and performance and that every individual is important and valued. If selected as your partner, we will prioritize culture integration to help accelerate relationship building, discussions by teams, and opportunity identification.

### 5. Partnering with Providers

Atrium Health prides itself on being a physician centric organization that believes strong physician alignment with both employed and independent community providers is paramount to sustainable success.

- **Atrium Health maintains a long history of developing collaborative relationships with independent providers in each of the markets we serve.** This collaborative approach is built into our operating model across the system, both clinically and operationally. Atrium Health demonstrates this commitment through our creative partnership with some of the nation’s leading and largest medical groups.
- As a learning organization, Atrium Health maintains over 52 teaching programs, with 490 residents and fellows. As we look to a future with NHRMC, we will grow medical education opportunities in the region. **Atrium Health is committed to maintaining the teaching programs affiliated with the University of North Carolina for a minimum of 10 years.**
- Atrium Health will look to offer additional medical education opportunities and provide additional academic expertise and research through our partnership with Wake Forest Baptist Health and the Wake Forest School of Medicine.
| 6. Driving Quality of Care Throughout Continuum | Atrium Health brings a successful track record of enhancing the clinical quality of partner organizations through a multi-tiered approach of pooling expertise, deploying best practices across the system and programs designed to accelerate improvements.  
• As part of the proposed strategic partnership with Atrium Health, **NHRMC will continue to play a vital role in our quality initiatives and focus** through programs like our annual quality goal setting and measurement process. In this process, Atrium Health develops **shared goals across our system** and determines organization-specific targets. We transparently report results for all business units – acute care and ambulatory – motivating all business units to **improve through a collaborative model of sharing**.  
• Atrium Health’s work with the Centers for Medicare and Medicaid Services (CMS) funded quality improvement Health Engagement Network (HEN) program and successor programs, which included our partner organizations, averted nearly 24,000 instances of harm, avoided approximately 2,900 readmissions, saving more than $150 million in healthcare costs over the past nine years. As part of our proposed strategic partnership, **Atrium Health will bring to NHRMC the nationally recognized methods we have developed for this clinical optimization and readmission improvement work**.  
• NHRMC will continue to actively participate in the many collaborative models designed to improve care and outcomes across Atrium Health. These include our **17 Quality & Safety Operations Councils** (QSOC) focused on improving care and building durable solutions to reduce variation in each specific area. In addition, we will continue to drive value to NHRMC through our **Atrium Health Patient Safety Organization (PSO)**, which has been registered with the Agency for Healthcare Research and Quality (AHRQ) since 2011 and has been a national model for the use of data and analytics to detect and prevent adverse patient events. |
| 7. Growing the Level and Scope of Care | Atrium Health’s partnership philosophy is to **elevate care locally– keeping as many patients close to home for the care they need and deserve**. Atrium Health is committed to maintaining and enhancing key clinical services and programs being provided by NHRMC today as part of our strategic partnership.  
• Similar to the clinical affiliation today between Atrium Health’s Carolinas Rehabilitation and NHRMC Rehabilitation, Atrium Health will partner with NHRMC to **develop market-based plans around each clinical service line** designed to take advantage of the full breadth of clinical depth across Atrium Health. As part of our commitment, **Atrium Health will bring NHRMC more than 1,000 active clinical studies** across all disciplines, providing multiple opportunities for NHRMC’s patients to benefit.  
• **Atrium Health utilizes some of the industry’s most advanced analytical approaches in identifying care locations and distribution scenarios**. These techniques blend traditional demographic modeling with advanced claims-based clinical utilization models to identify current and future gaps and needs for services in defined geographies and markets. **Atrium Health will work with NHRMC to integrate advanced methodologies and rigor** to identify appropriate locations for both ambulatory sites of care and planned acute care community hospitals.  

Atrium Health’s and NHRMC’s combined virtual health platform and critical care transport services will support the **expansion of clinical services to both urban and rural communities in Southeastern North Carolina**. |
| 8. Investing to Ensure Long-Term Financial Security | Atrium Health will invest **over $3.1 billion in NHRMC and the New Hanover Community over the next four decades** to ensure that NHRMC continues to thrive as Southeastern North Carolina’s center for healthcare, as well as an economic engine for the region.  
• As part of this comprehensive investment, **Atrium Health is committing $2.17 billion dollars in capital investment into NHRMC**, with $1.154 billion of this investment for routine and strategic investments in the first 10 years of the partnership. An **innovative Behavioral Health and Addiction treatment facility** for the community is included in this investment.  
• **Atrium Health is also committing an additional $941.8 million investment into the New Hanover community**. This investment is a combination of upfront cash ($50 million) to New Hanover County, earmarked funds to create a Community Foundation ($150 million) to support key health initiatives and address disparities of care in the region and other payments to New Hanover County through lease payments and EBITDA sharing (approximately $791.8 million). The structure of our proposal and the investments we are making will **alleviate the County from ongoing operating risk and debt obligations of NHRMC**, while allowing the County to continue to benefit from the hospital’s operating performance.  
• With Atrium Health, NHRMC will be partnering with an organization that has maintained its AA- rating for over 20 years and has a proven track record of fulfilling or surpassing the capital commitments made with similar partnerships. |
9. Strategic Positioning

For over 25 years, Atrium Health has been a national leader in delivering value to providers across a multi-state region through innovative partnership models. These partnerships, including our current relationship with NHRMC, have realized millions of dollars in recurring value to the healthcare providers and communities we are privileged to serve. As we look to the future, it is Atrium Health’s aspiration to be the Southeast’s leading health network, which inspires us to be a national model for how a network of aligned providers and other partners across a broad geography work to deliver superior value to customers. Atrium Health seeks to come together with like-minded organizations around a common goal of being better together.

- It is striking how Atrium Health and NHRMC are aligned in our mission and visions, as well as the key areas of focus contained within each organization’s strategic plans. Like NHRMC, Atrium Health is deeply committed to improving the health of each community we serve. Perhaps more important than the current alignment of our approaches, is the need to craft a path forward as strategic partners. In the governance model proposed by Atrium Health, the NHRMC Board would develop and recommend strategic priorities within the broader Atrium Health strategic framework.

- Atrium Health intends for NHRMC to be the cornerstone of our enterprise in Southeastern North Carolina and lead the development of a broader delivery network in the region. This commitment includes maintaining and strengthening relationships, such as the management services agreement with Pender Memorial Hospital. Together, we would build a broader system of care that would grow and enhance the communities served as well as create a platform for future network expansion.

- As part of Atrium Health, we will embrace our mutual commitment of being a learning organization and would look to strengthen NHRMC’s existing relationships, as well as bring new opportunities for education, training and research to NHRMC and the region. In addition, Atrium Health is excited about the opportunities to deploy our nationally recognized Behavioral Health solutions and our innovative approaches using Virtual Care to solve for key access challenges in the region.

10. Governance

Atrium Health believes local governance is vital to the long-term success of our partners and the broader enterprise. Our proposed strategic partnership ensures that NHRMC maintains a strong local governance model, with a meaningful voice across Atrium Health.

- As part of the proposed governance model outlined in our response, the majority of the board of directors will be residents of New Hanover County or the surrounding communities. It is currently envisioned that post closing the NHRMC Board will consist of nine individuals, at least six of whom will be local residents.

- The NHRMC board of directors will retain a meaningful level of reserved powers to effectively govern NHRMC.

- For a minimum of the first ten years of the lease term, Atrium Health will nominate two NHRMC directors to serve on the Atrium Health Board of Commissioners, providing New Hanover a voice in the greater Atrium Health enterprise.