Response to Request for Proposal
March 16, 2020
HCA Healthcare
As a leading provider of healthcare services and with a mission to care for and improve human life, HCA Healthcare is pleased to provide our response to the New Hanover County and the New Hanover Regional Medical Center (collectively, the “Sellers”) Request for Proposal (“RFP”). For the reasons set forth in this document, we believe that through a transaction with HCA (“Proposed Transaction”), NHRMC will both maintain and enhance its mission as well as achieve the Goals and Objectives established by the Partnership Advisory Group (“PAG”).

RFP Response

1. Improving Access to Care and Wellness Programs

1.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to further develop ambulatory and other outpatient and wellness program access points in the communities it serves. Also address how and whether Respondent’s Proposed Strategic Partnership will facilitate capitalization and growth of care and wellness sites across the Service Area, including beyond New Hanover County, understanding the current debt limitations for NHRMC that preclude this regional healthcare system from borrowing to build outside of the County.

The development of ambulatory and other outpatient access points across the broader New Hanover community would be a strategic priority for HCA. We recognize that today, patients seek care through a greater variety of settings than they did in the past. Our goal is to make it easier for our patients to receive the healthcare services they need, when they need them and closer to where they live and work. HCA Healthcare has made investments in building our networks so our patients have more convenient access to care. Our networks include hospitals, ambulatory surgery centers, freestanding emergency rooms, urgent care centers, physician practices and a network of telehealth facilities and programs. Because we believe in patient-centered care, we are continually seeking new approaches and venues to provide care in order to better meet the needs of our patients. We embrace new opportunities to develop innovative approaches by delivering the right care in the right place at the right time, while never forgetting that healthcare is delivered one patient at a time.

As an affiliate of HCA, the New Hanover Regional Medical Center (“NHRMC”) would not have financial limitations relative to the development of additional healthcare access points within its community. HCA generates positive cash flow from operating activities that is available for reinvestment in capital projects. We firmly believe in reinvesting in our communities as evidenced by our 2019 capital spend of $4.2 billion across the HCA organization.
1.1.1. Discuss Respondent’s position on NHRMC’s current plans to expand ambulatory and other outpatient and wellness program access points in the Service Area.

In reviewing NHRMC’s Strategic Plan, we recognize the intent to expand NHRMC’s ambulatory footprint with investments in additional access points in Wilmington and surrounding region. In many of its communities, HCA pursues strategies similar to those that NHRMC has thoughtfully developed and conceptualized. Our organizations are strategically aligned with respect to the expansion of ambulatory and other outpatient access points. To better understand the strategy and specific approach that NHRMC has planned, HCA would welcome the opportunity to engage with NHRMC leadership to confirm community need and investment priorities.

One of HCA’s key strategic initiatives is to continually look for opportunities to increase access points for patients, and HCA has a proven track record of providing additional access points in its communities. Below is one example of how HCA developed a broad network of healthcare facilities across middle Tennessee. We would expect to follow a similar approach in evaluating and executing the appropriate opportunities within Wilmington and the surrounding region.

**Comprehensive Access Across the Continuum**

1.1.2. Describe the scope and timing of Respondent’s commitment to adding ambulatory and other outpatient access points in the Service Area.

To support the addition and expansion of ambulatory and other outpatient access points and as part of the Proposed Transaction, **HCA would commit to spend $370 million in capital expenditures over the 5-year period following the closing of the Proposed Transaction to be spent on projects related to the delivery of healthcare services within Wilmington and the surrounding region.** Capital investments may support the addition of ambulatory and other outpatient access points both in and outside of the Service Area.
1.1.3. Describe how Respondent and/or any of Respondent’s strategic partners used the same or similar strategic partnership to improve ambulatory and other access points in the communities served by Respondent and its affiliate or partner hospitals.

HCA has consistently invested in ambulatory and other access points and, in total, has over 2,000 sites of care conveniently spread across each of our communities.

As one example of our investments in access points, HCA has developed an extensive urgent care strategy to address the increasing shortage of primary care providers, the aging population, and the consumer’s demand for convenient access to alternate care delivery settings. HCA’s CareNow Urgent Care has added over 160 urgent care locations across 16 operating markets since 2015 through de novo builds, joint venture relationships, and center acquisitions. We have pursued this approach because urgent care centers are efficient, economical, and convenient access points within a community. As one of the nation’s largest providers of urgent care, HCA provides patients with the latest evidence-based care complemented by technology that supplements convenience with comprehensiveness and safety in every urgent care center.

HCA’s CareNow Urgent Care centers are primarily physician-led and mid-level provider supported, which results in quality, low-cost care close to patients’ homes and places of work. Our urgent care strategy is designed to make healthcare access affordable, convenient, and efficient so that patients can focus on their everyday lives. If and when higher level of emergency or acute care services are needed, we have the capability within our network to transfer patients to other, coordinated sites of care.

In order to support new access points in our new communities, HCA has invested in and identified services in nearby communities. For example, after a recent acquisition, HCA has invested more than $12.5 million to purchase land in nearby counties in order to build Freestanding Emergency Departments (“FSEDS”) with the goal of ensuring that all rural communities have easy access to the highest quality healthcare when an emergency strikes.
In addition to FSEDs and urgent care centers, HCA also has adopted sophisticated telehealth capabilities to provide virtual access for appropriate conditions. For example, Mission Health in Asheville, NC has a broad telehealth program that offers tele-stroke services for nearly every hospital in its region; another example of our telehealth capability is Mission Health’s Virtual Clinic, which offers various tele-services for common problems. Our enhanced telehealth capabilities have provided additional hospital-to-hospital expertise for outlying facilities and access to psychiatric services, genetic counseling, and other specialty care.

As another example, HCA also has deep expertise in developing, planning, and operating ambulatory surgery centers (“ASCs”). ASCs have increased access and transformed the outpatient experience by providing a convenient, high quality, safe and cost-effective setting for hundreds of diagnostic and preventative procedures. ASCs boast excellent clinical outcomes and high physician and patient satisfaction levels, and ASCs represent a lower cost alternative to payers, employers, and patients, relative to other care setting options.

HCA operates ASCs to complement hospital inpatient surgery capacity. These additional access points can provide consumers with a choice for surgical services. HCA’s ASCs also benefit from the day-to-day management expertise of ASD and a broader relationship with HCA and its hospitals. This strategic combination drives growth opportunities and operating efficiencies that are typically not achievable by independent surgery centers.

Adding new physician office locations is another strategy that HCA utilizes to improve access. As HCA and NHRMC collaborate on recruiting new physicians and advanced practitioners, we would evaluate adding new practice locations and specialty clinics. Together, we would determine if there are needs in the community for additional physicians that could be addressed by the addition of new practice locations.

**1.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on improving access to primary care services in NHRMC’s Service Area.**

Through a collaborative strategic planning process, HCA and NHRMC would conduct a thorough analysis of the community and region to determine needs and assess existing capabilities with regard to primary care services. Together, we would evaluate different types of care settings such as physician offices, advanced practitioner support, urgent care centers, and free-standing emergency departments.

HCA has added over 160 urgent care locations across 16 of the communities we serve since 2015 through de novo projects, joint venture relationships, and urgent care center acquisitions. While the urgent care setting is not designed to manage chronic conditions, many patients without a primary care physician frequently choose to utilize an urgent care clinic for many services. HCA’s CareNow Urgent Care works with those patients to identify local primary care physicians with availability for new patients. Likewise, CareNow partners with primary care physicians to provide a convenient option for their patients who might have an emergent clinical need after hours. After seeing the patient, CareNow transfers the
medical information back to the primary care physician to ensure care continuity and communication.

We would also recruit new physicians and advanced practitioners to the community to fulfill the community’s primary care needs. In order to improve access to primary care services despite a very competitive physician recruiting market, HCA has a deep physician recruiting capability. In 2018 and 2019, HCA recruited 259 Primary Care Physicians (“PCPs”) into its practices and 331 PCPs to support urgent care services through local, regional and national recruiting efforts.

Additionally, HCA’s Graduate Medical Education (“GME”) residency training programs are preparing the next generation of primary care physicians directly. We are proud that HCA physicians who graduate from our residency programs often choose to practice within HCA hospitals and live in their surrounding communities. In 2019, we graduated 2,296 Internal Medicine residents and 104 Family Medicine residents.

In Asheville, HCA works closely with the Mountain Area Health Education Center (“MAHEC”) and the University of North Carolina – Asheville to sponsor its GME programs. Since acquiring Mission Health, HCA has increased the size of its psychiatry residency by eight residents, growing from 4 per class to 6 per class in each class year of the four-year residency. In addition, we have recently received ACGME approval for new fellowships in surgical critical care and addiction medicine, as well as a new transitional year residency. Looking forward, we have submitted an application for a new internal medicine residency expected to be accredited in September of 2020. Furthermore, Mission Health and MAHEC will begin a Rural Family Medicine GME program in 2020 and additional new programs are being organized for a start in 2021. Beyond those changes, we also have initiated research collaboration with UNC – Chapel Hill and have added the UNC – Chapel Hill Dean of Research to the editorial board of our new medical journal, the HCA Healthcare Journal of Medicine. Most importantly to the Asheville community, 66% of Mission Health’s family medicine graduates stay to practice in Western North Carolina. Our support in training the next generation of PCPs is a unique benefit of HCA.

1.2.1. Discuss your organization’s approach to staffing primary care clinics, including leveraging providers with team-based care.

Primary care staffing varies depending on community need and the resulting practice size, patient acuity, provider productivity, and service offerings. These variables are used to determine a practice’s non-provider to provider staffing ratios. Most primary care practices consist of both physician(s) and advanced practice provider(s) working together as part of our care delivery teams to both manage and treat their patients. We have experience and success with Medicare Advantage (“MA”), commercial, and government payer value-based care programs, as well as clinically integrated networks (“CINs”). In markets that participate with Accountable Care Organizations (“ACOs”), MA plans, CINs, and/or CMS Comprehensive Primary Care Plus, there is comprehensive team-based care with physicians, advanced practice providers, behavioral health specialists, diabetic educators, care coordinators, transitions of care specialists, and office operations staff with advanced training in these models.
1.2.2. Describe how Respondent would identify and resolve any gaps in primary care coverage in the Service Area.

HCA routinely works with local health system leadership teams to develop a strategic plans to invest in additional access points by utilizing our robust analytics platform to determine the community’s needs within its service area. HCA has a sophisticated set of analytics tools that measure and analyze healthcare demand, supply, and population demographics to prioritize geographic areas that are underserviced or where gaps might exist. HCA’s CareNow Urgent Care and our medical group practice, Physician Services Group (“PSG”), utilize these tools in combination with local market intelligence to develop a targeted strategy to address any coverage gaps specific to the service area being analyzed. This joint analysis is used to determine whether to add primary care locations, urgent care locations, or other convenient access points for consumers to resolve gaps in service. As just one example, we have added 80 new urgent care locations to our primary care base in the last three years. For more information related to potential gaps in primary care coverage, please refer to our response to question 1.2.1.

1.2.3 Provide examples of how Respondent improved both primary care access and operational efficacy (improved quality, improved patient safety, improved patient satisfaction, lower cost) in communities served by Respondent and its affiliate or partner hospitals.

HCA utilizes a varied and comprehensive approach to improve access and efficiency for the people living in the communities we serve. HCA goes through a rigorous strategic planning process that heavily relies upon both community characteristics and our advanced data analytics. As part of the process, leaders evaluate different types of healthcare facilities to address the particular healthcare demands presented by each community that we serve. HCA is a firm believer in increasing access points to meet patient needs. HCA looks to complement its hospitals with a variety of primary access points such as physician office locations, urgent care centers, ambulatory surgery centers, free-standing emergency departments and virtual care services. Simply put, HCA provides patients with various choices to meet their healthcare needs.

Since no two communities are exactly the same, our primary care strategies depend on specific community, payer and provider dynamics within a market. In some communities, we employ very few primary care physicians and instead strive to partner with existing physicians and groups of providers through CINs, ACOs, payer strategies, and other collaboration structures. In other markets, we employ hundreds of primary care physicians and directly drive operational excellence and quality through our Physician Services Group (“PSG”) infrastructure. Currently, PSG employs more than 1,400 primary care physicians and advanced practice providers.

In terms of efficacy, HCA utilizes its clinical improvement expertise and established best practices to determine focus areas for our hospitals. We have numerous corporate initiatives around patient safety, patient satisfaction, readmission reduction, and clinical quality improvements. Local leadership, with support from other facilities when needed, also
determines areas where the hospital may focus to generate improvement. We have a robust clinical excellence agenda as well as a focus on service line expansion.

Recent examples of HCA’s efforts related to access and efficacy include recent activities in our Asheville, NC and Savannah, GA communities. Since the acquisition of Mission Health in January 2019, HCA has made a significant capital commitment to improve patient access and efficiency.

- HCA Healthcare has completed the new state-of-the-art Mission Hospital for Advanced Medicine in Asheville.
- HCA Healthcare will build a 120-bed inpatient behavioral health hospital in Asheville (approximately $69 million).
- HCA Healthcare will build a new replacement hospital for Angel Medical Center in Franklin, N.C. (approximately $65 million).
- In addition to the new behavioral health hospital, replacement hospital and Hospital for Advanced Medicine, HCA Healthcare will invest at least another $232 million in capital across Mission Health facilities.

Since the acquisition of Memorial Health in Savannah, GA, HCA has already executed on a number of upgrades, improvements and expansions with more on target to come online this year, including:

- Increased investment in the Memorial Health Dwaine & Cynthia Willett Children’s Hospital of Savannah to $66 million. The facility is scheduled to open in late 2020. This will be the only freestanding children’s hospital in southeast Georgia.
- Invested $28 million to build-out the 3rd and 4th floors of the Heart & Vascular Institute to provide care for our patients in a 26-bed medical ICU and a 30-bed cardiac unit.
- Paid $22 million in taxes to benefit our schools, public safety departments and communities.
- Completely renovated the 26-bed adult behavioral health inpatient unit and expanded service to include an intensive outpatient program.
- Recruited 40 new physicians in several specialties including interventional pulmonology, cardiothoracic surgery, pediatric hematology/oncology, and pediatric nephrology.
- Added new technology including two robotic surgical systems in our minimally invasive surgery center, an additional linear accelerator for cancer treatment and imaging upgrades: CT and MRI.
• Added 10 NICU beds.
• Launched cardiovascular care patient management.
• Completed Nurse call system upgrade and iMobile nursing capability at the bedside.
• Launched new services including a procedure for AFib patients to reduce the risk of stroke (left atrial appendage closure), mechanical thrombectomy for stroke patients, and minimally invasive TIF procedure (transoral incisionless fundoplication) for gastroesophageal reflux disease (“GERD”).
• Developed regional outreach strategy to increase an ancillary service presence, including 2 freestanding emergency departments, in 3 outlying communities.

In addition to the specific community examples provided above, HCA’s CareNow Urgent Care has further enhanced accessibility and efficacy. From a quality perspective, HCA’s CareNow Urgent Care is accredited through the Urgent Care Association (“UCA”) which is the highest level of distinction for urgent care centers. This accreditation recognizes a center or organization achieving certain standards in care related to quality and patient safety. The process for receiving network-wide accreditation entails a detailed survey which includes an on-site visit with UCA accreditation surveyors. In 2019, HCA’s CareNow Urgent Care deployed major clinical initiatives around antibiotic stewardship, medication safety, pneumonia follow-up, and radiation safety.

From an operations perspective, HCA’s CareNow Urgent Care recognizes that patients both desire convenience and demand quality. The organization closely monitors patient wait times, provider efficiency, and customer experience through online reviews and internal patient surveys to validate or improve the patient experience.

1.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to further develop and enhance NHRMC’s home care services within the Service Area.

HCA would support NHRMC’s home care services as it is an important element of the continuum of care, just like we have done at Mission Health via its CarePartners post-acute provider. As part of the Mission Health acquisition, HCA acquired CarePartners Home Health because we recognized the benefits of better care transitions and care coordination that result from integrated home health capabilities.

HCA continually evaluates and invests in the full continuum of care. We would work together to evaluate additional services and opportunities, such as remote patient monitoring and expansion into adjacent geographies. In addition to post-acute services, HCA has made significant investments in pre-acute sites of care like FSEDs, ASCs, and UCCs as described previously. HCA has expanded inpatient rehab facilities in the post-acute care environment.

HCA has also developed post-acute care provider relationships in many of its markets that include partner home health agencies within our communities to support its participation in
Medicare bundled payment programs. By utilizing higher quality and more efficient home health providers, HCA has been able to achieve savings in the total cost of care of a 90-day care episode.

1.4. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC providing care for the elderly in both urban and rural settings in the Service Area. Describe any programs that could be introduced at NHRMC (e.g., adult day care, geriatric urgent care services).

As a major provider of healthcare services for Medicare enrollees across the country, HCA has a strong foundation and record of caring for the elderly in both urban and rural settings. HCA would utilize this experience and its capabilities to positively impact the quality of care provided to the elderly in Wilmington and the surrounding region.

One specific example of specialized care for the elderly can be seen within HCA’s trauma program. We have implemented an organization-wide training program in our trauma units for isolated hip fractures with the goal of transferring patients to the operating room for clinical repair and stabilization within 24 hours. Clinical evidence demonstrates that this process is a best practice that significantly improves patient outcomes. We have developed both technological and operational processes to support this program and have implemented real-time staff alerts to facilitate this program. We have also established a clinical dashboard for consistent tracking and monitoring of isolated hip fracture patients across the country. This increased visibility and the newly-introduced processes have increased coordination of care across the continuum for elderly patients presenting to the emergency room with this condition. Additionally, HCA has developed multi-modal standard order sets for pain management for elderly patients that is used nationwide. These protocols, best practices, and tools would be available for NHRMC to implement in its emergency rooms.

To prepare for the rapidly growing elderly population across the country, HCA has increased its presence in geriatric psychiatry, an acute and often-unmet need in many areas. Today, we have specialized geri-psych units in 25 of our hospitals.

HCA Mission Health in Asheville participates in the North Carolina Program of All-Inclusive Care for the Elderly (“PACE”) Program. PACE provides comprehensive healthcare and other services that enable individuals 55 years and older who already qualify for nursing home care to instead remain at home in their community with their family and loved ones. The vast majority of PACE patients are dual eligibles (members of both Medicare and Medicaid). PACE is an innovative model of care that allows us to meet the needs of the elderly community in lieu of a nursing home or other care facility.

PACE also provides comprehensive medical and social services. In Asheville, Mission CarePartners provides primary care, hospital care, medical specialty services, prescription drugs, nursing home services, emergency services, home care, physical therapy, occupational therapy, adult day care, recreational therapy, meals, dentistry, nutritional counseling, social services, laboratory/x-ray services, social work counseling, and medical transportation.
Safe, reliable transportation to and from medical care, social support, and daily activities is also a critical component of senior care in any community. CarePartners PACE offers the aforementioned transportation services as well as care coordination and management efforts to approximately 200 enrolled participants.

1.5. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on further developing access to service lines at NHRMC, existing or new, including but not limited to:

**General Overview**

NHRMC already offers a broad scope of services such as cardiovascular, stroke, orthopedics, behavioral health, and women's and children's services. HCA would prioritize the accessibility to each of these programs, as well as collaborate to understand other service line needs, through our strategic planning process.

HCA's planning process is unique, in part, due to its size and scale. Given that HCA operates in 21 states, the United Kingdom and in over 40 U.S. markets, no single strategic plan can meet the distinct needs of every community. As a result, HCA has planning processes at the enterprise, market and facility levels, as well as across several lines of business.

At each level of planning, management is able to draw upon a robust set of internal analytics, business intelligence and benchmarking from across HCA. The ability to learn from the experience of many markets and share best practices across markets is a competitive advantage unavailable to many of HCA's competitor health systems. In addition to analytics, management benefits from the expertise of clinical service line business leaders. These leaders serve as advisors to local management during planning and support effective implementation of local strategies.

At the broader organizational level, HCA uses its scale to support local strategies by investing in technology and shared-service platforms. The collection of growth strategies across the company enables HCA to have an unparalleled perspective of the dynamics that allow healthcare providers to be successful.

HCA Healthcare is committed to the growth of clinical service lines and improved clinical outcomes, facilitated by leveraging its experiences and investments in clinical research and data. HCA has made significant investment in both people and technology to utilize its massive amounts of enterprise data captured across the enterprise to inform the clinical decision-making process with practicing physicians.
HCA Healthcare has already seen positive impacts from the use of its internal data to improve nursing and physician efficiency and improve patient quality and outcomes. We believe that better safety, better quality and better efficiencies equate to better care.

The utilization of enterprise data has allowed us to enhance healthcare services across specialties including Behavioral Health, Cancer, Cardiovascular, Orthopedics and Robotic Surgery, Women’s and Children’s, and Trauma.

1.5.1. Pediatric specialties and sub-specialties

HCA has an internal team dedicated to pediatric specialties and sub-specialties, known within HCA as the Women’s and Children’s service line. This team has developed tools and resources to support and develop their programs across the enterprise. To support the initiatives at Betty H. Cameron Women’s & Children’s Hospital, HCA Healthcare would provide national and regional expertise, pathways, and playbooks to further elevate pediatric care in NHRMC’s communities in Wilmington and the surrounding region. HCA operates more than 90 NICUs and 16 distinct women’s and children’s campuses. Last year we delivered more than 200,000 babies, which equates to more than 5% of all the babies born in the USA. HCA also treated over 1.5 million pediatric ER patients.

Regional and hospital service line leaders routinely hold meetings to share best practices and learnings and to review trends. NHRMC leadership would have the opportunity to attend and participate in our summit meetings related to children’s hospitals, pediatric surgery, NICUs, and other women’s and children’s services. HCA’s commitment to expand pediatric specialties is evidenced by Memorial Health’s (Savannah, GA) growth initiative focused on pediatric care. Additionally, HCA is in a unique position to learn from Mission Health’s operation of a full-service Children’s Hospital.

**Mission Children’s Hospital** is a 97-bed facility dedicated to infants and children and offers inpatient, outpatient, and outreach services. The facility also offers a Level III Neonatal Intensive Care Unit and a Pediatric Intensive Care Unit. There are 60 board certified pediatric subspecialists that provide care in 22 different specialties. The Reuter Outpatient Center at
Mission Health offers a full range of pediatric specialty services, all situated in a convenient outpatient setting. The center offers the region’s only dedicated pediatric radiology service with on-site, fellowship-trained pediatric radiologists and pediatric magnetic resonance imaging (“MRI”) with “movie goggles” that dramatically reduce anxiety and the need for medication. Mission Health’s Olson Huff Center for Child Development offers autism services, and occupational, physical and speech therapy.

In late 2020, HCA’s Memorial Health in Savannah will be opening a new $65 million children’s hospital.

The child and family-friendly structure will have 50 patient beds, plus 18 emergency department beds, four operating rooms and a complete imaging suite including MRI and CT. The hospital will be staffed by more than 100 pediatric specialists and residents.

1.5.2. Adult specialties and sub-specialties (e.g. cardiovascular, neurosciences, geriatrics, orthopedics, oncology, etc.)

HCA would support NHRMC’s adult specialties and sub-specialties through its size, scale, and expertise and would collaboratively evaluate service line additions and expansions. HCA has a significant number of leading service line experts that are dedicated to growing and improving our service offerings across the organization. Many of our service lines have advisory panels made up of both clinicians and administrators that serve to improve the value of care delivered to our patients. After an affiliation with HCA, we would engage NHRMC’s service line leadership to participate in activities like annual Summits and periodic discussions to share NHRMC’s successes with other professionals across the country.

Based on preliminary analysis of NHRMC’s service area, HCA has identified specific specialty and sub-specialties that we believe would most benefit from our experience and expertise.
Cancer

Across HCA Healthcare, we have 1.6 million patient encounters annually and see more than 120,000 newly diagnosed patients each year. Our oncology services are led by Sarah Cannon, the Cancer Institute of HCA Healthcare. Most recently, Sarah Cannon’s President of Clinical Operations and Chief Medical Officer, Dr. Skip Burris, has been recognized as a global thought leader, serving as the 2019-2020 president of the world’s largest oncology organization, the American Society of Clinical Oncology.

Through the enhanced capabilities and service levels offered at the Zimmer Cancer Center, NHRMC has developed the infrastructure to deliver cancer care to patients in a setting within their community. Through an HCA Healthcare affiliation, NHRMC would be able to tap into the nationally recognized expertise and proficiencies provided through HCA Healthcare’s Sarah Cannon Research Institute.

Sarah Cannon - Our Impact

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<tr>
<td>120K+ newly diagnosed cancer patients per year</td>
<td>3K+ patients enrolled per year on clinical trials</td>
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<td>8 programs</td>
<td>500+ physicians who engage in research across our network</td>
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<td>One of the LARGEST providers of radiation oncology services in U.S.</td>
<td>400+ first-in-human trials conducted</td>
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<td>Cancer</td>
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<td>30+ breast centers</td>
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Sarah Cannon has dedicated more than 25 years to advancing cancer therapies through community-based clinical trials. Sarah Cannon has conducted more than 400 first-in-human clinical trials to date, demonstrating significant expertise in one of the most pivotal areas of cancer drug development. Over the last decade, Sarah Cannon has been a clinical trial leader in the vast majority (more than 70%) of approved cancer therapies available to patients today.

Additionally, Sarah Cannon is the leading network performing transplants and cellular therapies through 8 FACT/JACIE Accredited programs across the U.S. and UK. To date, the network is on the forefront of cellular therapy research, investigating novel options such as CAR T-Cell therapy and CRISPR gene-editing approaches.
With a commitment to clinical excellence and outcomes, our network of programs bring together surgical, radiation, medical oncology specialists to deliver comprehensive and coordinated patient care. These unique programs are supported by the operations of Sarah Cannon Research Institute, which include:

- Oncology services in 23 key markets across HCA Healthcare,
- 96 locations offering comprehensive cancer services to patients close to home,
- more than 200 nurse navigators who have helped more than 25,000 patients through every step of the cancer journey,
- the leading network performing transplants and cellular therapies through 8 FACT/JACIE Accredited programs across the U.S. and UK,
- 70 locations offering patient-centered cancer clinical trials across the U.S. and UK, and
- our research programs, eight of which are specialized Drug Development Units conducting clinical trials at the earliest phases of research with patients facing cancer.

Further, Sarah Cannon Research Institute has more than 200 cancer-focused nurse navigators who have helped more than 25,000 patients across all of our communities. Ensuring patients have individualized treatment options unique to the genetic profile of their cancer, Sarah Cannon Research Institute has a personalized medicine program that utilizes leading-edge technology to guide diagnosis and treatment decisions.

HCA’s oncology service line works with our local markets to develop, expand, and improve oncology services, including physician joint ventures and partnerships. By treating 120,000 newly diagnosed cancer patients per year, HCA Healthcare hospitals perform over 1,200 annual transplants and have the largest blood cancer transplant network in the US.

**Cardiovascular**

Drawing on HCA Healthcare’s nationwide cardiac network and the capabilities as described below, we would look to build upon the impressive quality and clinical offerings available at NHRMC.

HCA’s enterprise cardiovascular service line utilizes our size and scale in the areas of clinical excellence, operational efficiency, physician alignment, and growth in hospital and ambulatory settings.

As a national leader in cardiovascular services, HCA Healthcare has committed to a research agenda collaborating with nationally recognized physicians and clinical organizations to drive advancements in cardiovascular care. HCA Healthcare has 1.5 million cardiovascular encounters per year, has more than 90 facilities performing open heart surgery, and has more than 130 hospitals with Interventional Cardiology programs. Our physicians are a
significant presence at major scientific society meetings including the American College of Cardiology, the Society of Thoracic Surgeons, Heart Rhythm Society, and the Society for Cardiovascular Angiography. Additionally, the service line is aligned with HCA’s Sarah Cannon Research Institute, a global strategic research organization focusing on advancing therapies for oncology and cardiovascular patients. The cardiovascular network involves over 700 physicians across the US and UK.

Care Assure is a proprietary program that provides improved care coordination and delivery via dedicated Nurse Navigators and Patient Care Coordinators to ensure cardiac patients receive ongoing disease monitoring, diagnostic testing, and clinically indicated interventions upon discharge from the initial acute care episode in which they were identified. Each year, Care Assure is initiated approximately 1 million times, improving patient experience and loyalty through high-quality outreach and communication for over 200,000 patients across 155 HCA Healthcare hospitals. Care Assure positively affects patients, physicians, and hospitals by ensuring patients receive the care they need, raising rates of evidence-based care, increasing quality-adjusted life years, speeding up time to treatment and boosting rates of attended appointments.

Orthopedics and Robotic Surgery

HCA would not only support, but would look to enhance NHRMC’s Orthopedic Hospital. HCA Healthcare manages the largest orthopedics program in the world. In 2019, there were over 200,000 elective surgical orthopedics and spine cases across 172 hospitals. One-third of the program is dedicated to joint replacements, with over 80,000 elective joint replacements. Our extensive practice has allowed us to build the world’s largest orthopedic surgery database, which we make available to all our orthopedic surgeons for quality improvement and research. There is a dedicated development, analytics and operations team whose focus is the advancement of a care pathway tool, designed by a leadership group of affiliated surgeons, leveraging our enterprise database. This tool uses clinical, functional, demographic, and acute care data to provide our orthopedic surgeons with analytics to assist in care pathway decisions. We believe this tool will be a critical differentiator in the growing value-based care environment for musculoskeletal care.

Additionally, HCA Healthcare is the largest provider of robotic-assisted surgery in the world with 75 hip/knee replacement robots and over 40 spine robots. We have 13 national leaders in hip/knee and spine robotics who provide education and surgeon development resources for our affiliated surgeons. In 2019, they will provide surgical education and development to over 150 of our affiliated surgeons.

As part of HCA Healthcare, NHRMC surgeons would have access to these resources and physicians would have the opportunity to train with fellow surgeons using our robotics technologies in Myrtle Beach, Charleston, Savannah, and Asheville.

Trauma

Currently, all of the HCA Healthcare hospitals along the US-17 Coastal Highway have Level I or II trauma programs. Additionally, Mission Health provides Level II trauma services within
the western North Carolina region, with near-term plans to enhance the programmatic trauma capabilities within its flagship hospital.

HCA Healthcare has 100 Level I, II, III and IV trauma centers in 20 states. Over 5% of the trauma centers in the U.S. are now operated within HCA Healthcare’s trauma system. HCA Healthcare trauma centers treated 102,040 trauma patients in the annualized 2019 period (January through October) and maintains an overall mortality rate of 2.73%, significantly lower than the national benchmark of 4.39%. HCA Healthcare has developed an Enterprise-wide Trauma Data Center ("EW-TDC") with a performance control system that includes comprehensive data on over 500,000 trauma patients for performance improvement and research initiatives. Last year, 24 of our 29 trauma centers that achieved their accreditation with zero deficiencies, an unprecedented achievement.

HCA Healthcare’s trauma service line possesses tremendous depth in clinical expertise and analytical and reporting capabilities, serving as a valuable resource to both existing and aspiring HCA Healthcare trauma programs.

**Neuroscience**

HCA Healthcare’s Neuroscience service line utilizes scale, experience, and analytics to support clinical improvement and growth and optimize strategic and operational effectiveness across the organization. Our median door-to-needle time of 41 minutes for ischemic stroke patients – 31.7% better than the national standard – is one of many examples of our commitment to research and clinical excellence.

In 2019, HCA’s more than 1,700 neuroscience physicians treated over 50,000 stroke patients and performed over 15,000 and over 55,000 brain and spine surgeries, respectively. Across our facilities, which include 31 comprehensive stroke centers, our neurology, neurosurgical, and spine clinicians provided timely interventions leveraging expertise, analytics, and cutting-edge technologies across neuroscience & spine services. HCA also offers a telemedicine program, with over 400 TeleNeuro sites, that allows neurologists to communicate with stroke patients in hospitals and emergency rooms that do not have a neurology expert on-call.

**1.5.3. Women’s specialties and sub-specialties**

HCA Healthcare delivers over 200,000 babies yearly in 110 hospitals, representing more than 5 percent of all U.S. newborns. Through its physicians, clinicians, and administrators, HCA’s Neonatal Clinical Steering Committee and the Perinatal Clinical Work Group have developed a bundle of standardized, evidence-based care practices related to high-risk obstetrical conditions. Focus areas include fetal monitoring, the safe use of oxytocin and misoprostol, and DVT prophylaxis in all women undergoing C-sections. These activities have yielded a maternal morbidity rate of approximately 6.5 per 100,000 births (compared to the national average of 13), a 75% reduction in malpractice-claim costs, and over $68 million in system-wide annual savings.

An example of HCA’s evidence-based practices is our “My39 weeks” program that focuses on reducing the number of births prior to 39 weeks. Our research found early elective delivery
before 39 weeks increased risk of illness, complications and admission to neonatal intensive care units (“NICUs”). With these findings, we created measures to reduce early elective deliveries at all HCA hospitals. Estimated to save Medicaid more than $1 billion annually, HCA’s My39 weeks program has led to similar efforts at hospitals across the country, helping to lessen elective early deliveries. By seeing the bigger picture and implementing evidence-based practices, we developed changes that make a significant difference, one baby at a time.

HCA’s women’s and children’s service line team has developed a significant repertoire of tools and resources to support and develop their programs across the enterprise. To support the initiatives at Betty H. Cameron women’s & children’s Hospital, HCA Healthcare would be able to provide national and regional expertise, pathways and playbooks to further elevate maternal care in southeastern North Carolina.

1.5.4. Psychiatric specialties and sub-specialties

HCA Healthcare is committed to providing high quality, comprehensive behavioral healthcare in the communities we serve. With services at 70 locations and over 3,000 acute care beds across more than 17 states, HCA’s Behavioral Health Services is one of the fastest growing service lines within HCA and we are the nation’s second largest provider of acute care psychiatric services. With the recent acquisition of Mission Health in North Carolina, HCA committed to building a new 120-bed behavioral health facility in Asheville along with supporting an immediate expansion of its existing facility. Along the coast in Myrtle Beach, we recently opened a 20-bed freestanding behavioral health unit, with plans for future expansion. Likewise, in Savannah, Memorial Health University Medical Center recently completed a renovation of its 26-bed inpatient unit.

In addition to the behavioral health facilities in Asheville, Myrtle Beach, and Savannah, HCA has invested heavily in remote behavioral health services and telehealth. In fact, remote clinical staff and psychiatrists, through best-in-class technology, provide behavioral health assessments and psychiatric evaluations to treat patients in their emergency rooms. These patients receive the same attention and high-quality care as is received by those patients treated by onsite providers. In 2018, HCA Healthcare completed the development of a stand-alone telehealth physician practice providing services to HCA Healthcare facilities and outreach partners. This program will initially focus on tele-psychiatry and support HCA Healthcare and affiliate emergency rooms and HCA Healthcare behavioral health units.

Additionally, HCA currently has 7 GME psychiatry programs, including a growing program in Asheville, NC. Five more residency training locations are scheduled to open in the next two years and we are developing sub-specialty training as well. Child and adolescent psychiatry is a particular area of need and is also being developed. HCA is currently expanding services specifically addressing addiction with new residential and outpatient programs being added in several locations. Similar to our other organizations, we would work with NHRMC to determine the most optimal solutions and access points to support Wilmington and the surrounding region.
1.6. NHRMC’s most recent provider needs assessment has been provided to Respondent in the Data Room. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on further developing access by addressing key provider needs (e.g., geriatricians, psychiatrists) as indicated in the assessment.

While unique, the NHRMC Provider Development plan for Wilmington is similar to many of HCA’s other markets as our nation shares common demographic changes and provider availability challenges. We understand the needs for recruiting PCP’s, surgeons, psychiatrists, and pediatric specialists. Like many other markets, current and future physician shortages likely be exacerbated by numerous factors, including the retiring physician workforce, lifestyle and work desires of new physicians, and changing demographics of graduating physicians -- all of which stresses the need for proactive succession and replacement planning. Fortunately, Wilmington, NC is a very desirable location as a coastal community and NHRMC is a health system of choice given its breadth and depth of services as well as its management expertise and investment in clinical technology.

Physician Services Group Recruiting

HCA’s Physician Services Group (“PSG”) has a team of 134 individuals dedicated to identifying and recruiting new providers (both physicians and advanced practitioners) to HCA hospitals. While the recruitment program is centralized to ensure greater outreach to training programs, HCA also maintains teams focused on meeting the needs of the local market. In 2019 alone, HCA’s recruitment team led 130 resident physician events, attended 60 national medical conferences, and recruited 1,900 new physicians across the company. The table below shows the recruitment results over the last 7 years.
HCA has multiple models of physician alignment across each of its markets and its current 38,000 affiliated physicians. While most of HCA’s medical staff members are independent clinicians, there is an ongoing trend of physicians requesting employment and HCA is responsive to those physicians who are interested in becoming employees of a health system. Beyond employment models, many of our systems also are aligning with physicians practicing at their HCA hospitals to create contracting entities that respond to market dynamics such as narrow networks. HCA contracting vehicles include physicians who are employed, in physician organized groups or in clinically integrated provider networks, those involved in clinical co-management agreements, ACOs, IPAs, next generation ACOs, full risk bearing organizations and bundled payment arrangements.

1.7. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC aligning with employers in the Service Area to provide wellness and healthcare services to local employees (e.g., occupational health programs; walk-in occ-health services at urgent care center; health clinics located on-site at employers).

HCA would collaborate with NHRMC leadership to support its employer health initiatives. We would expect to deploy corporate strategies, investment in and expansion of additional access points, and development of occupational health programs.

As previously discussed, HCA’s CareNow Urgent Care consists of over 160 facilities nationwide. HCA’s CareNow Urgent Care locations are staffed with board-qualified physicians and other highly qualified healthcare providers, who are available to treat minor injuries and illnesses including cuts, burns, muscle strains, broken bones, common colds, and the flu. These clinics specialize in Family medicine, on-site lab work and x-rays, occupational medicine, physical exams, flu shots, and sports physicals.
HCA’s CareNow Urgent Care serves businesses and employers on a national basis, providing occupational medicine and non-occupational healthcare. Our doctors, physician assistants, and other healthcare providers offer a broad range of employer solutions to support employee health and wellness. HCA’s CareNow Urgent Care facilities also offer physical exams, drug and alcohol screenings, DOT Services, work-related injury care, and various other occupational services. In addition, our clinics offer online registration to enable easy and convenient access to our locations.

Our CareNow Urgent Care clinics are composed of an in-center diagnostic lab equipped to perform x-rays and more than 50 health screenings – so patients receive lab results faster. These diagnostic services make our clinics more advanced and better equipped than retail or minute clinics at meeting each patient’s unique medical needs.

As of January 1, 2020, HCA has embedded a new Wellness Program which includes a platform with a personal dashboard, interactive learning for chronic disease, blogs, daily recipes, health libraries, scheduling capabilities, and personal data tracking. HCA’s CareNow Urgent Care has structured near-site clinic models for employers as well. These clinics provide occupational, non-occupational, and comprehensive pre-employment services. Similar to most on-site or near-site clinics, HCA’s CareNow provides acute primary care and/or event-based primary care.

1.7.1. Discuss Respondent’s position on developing NHRMC’s programs to align with local employers.

HCA Healthcare’s Employer and Broker Solutions (“EBS”) team is designed to support employers and brokers to ensure that they are able to offer the best quality care at the lowest cost to their employees. EBS strives to deliver high value healthcare services through plan design development, direct contracting, and educational offerings.

The EBS team is comprised of experienced professionals with backgrounds in broker consulting and health plans. EBS integrates with employee benefit plans to control the total cost of care through utilization and promotion of programs such as care navigation and infection prevention. The EBS team will engage with employee benefit advisors, employers and health plans to align NHRMC’s programs with the needs of each of these parties. In collaboration with NHRMC, the EBS team will utilize the strength of existing programs to create the appropriate solutions for the employee benefit community.

1.7.2. Describe the scope and timing of Respondent’s commitment to expanding and improving upon NHRMC’s programs with local employers.

In order to appropriately expand and improve upon NHRMC’s programs with local employers, HCA and NHRMC leadership would complete a full assessment of NHRMC’s current performance, strategy, and priorities for engagement with local employers within 12 months of closing. Upon completion of an assessment, HCA leadership would work with NHRMC in order to create a tailor-made strategy for program expansion that meets the needs of both the employers and the community. This strategy would include without limitation access...
locations, ease of scheduling/access, and additions of new service locations and/or programs.

1.7.3. Provide examples of the successful implementation of occupational health or other employer-based programs with employers in communities served by Respondent and its affiliate or partner hospitals.

HCA has implemented several successful occupational health and employer-based programs in communities that we serve. For example, HCA has created programs to meet specific requirements for employers in certain markets such as replacing an onsite clinic with a near-site clinic, embedding primary care within urgent care, and product development to supplement underinsured employees.

As an example of our experience in implementation of employer-based programs, HCA has partnered with a trade association among Texas restaurant employers to offer primary care and urgent care services at HCA’s CareNow Urgent Care facilities for a Per-Employee Per-Month fee. Additionally, HCA has developed programs for eligible employers of a certain size and financial strength to unsubscribe from the workers compensation system in the State.

In certain markets, HCA’s CareNow Urgent Care has partnered with university campus student health providers to create an integrated care network that facilitates the continuity of care for students.

1.8. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to add patient-friendly, consumer-facing programs that provide added convenience (e.g., call centers, online scheduling, other digital offerings) and that anticipate a continued transition to value-based care and population health management along with increased patient engagement in understanding the financial costs of healthcare (e.g., pricing transparency).

Today’s healthcare consumer is as diverse generationally and digitally as it ever has been. HCA continues to evolve its varied approach to engaging with patients through familiar technology platforms. HCA is well-positioned to provide extensive consumer-facing programs to the NHRMC market. The Customer Relationship Management ("CRM") center provides call center functionality, online scheduling, triage support, and will be further integrated with care management development activities. The CRM team is experienced at enterprise-wide deployment of consumer facing technologies and initiatives to our local markets, and would replicate this process at NHRMC. HCA utilizes telephonic call agents complemented by text messaging capability to support patient scheduling, care management, and patient follow up.

HCA has an ever-enhancing digital strategy that provides the patient the level of connectivity that they expect today. Our online patient application, My Health One, provides convenient access to online scheduling and patient care information. We continue to build out capabilities on our applications based on feedback received from our patients. Additionally, HCA offers a concierge registration model, virtual registration in free-standing EDs and other lower volume care settings, and enhanced and real-time reporting for supervisors and managers using mobile alerting. Our care navigation programs include cardiovascular, high-
risk perinatal, and oncology and are intended to place our patients on the right path to improved health as efficiently and expeditiously as possible. Additionally, HCA is increasing its adoption of technology related to care management to ensure a consistent, patient-centered navigation experience. These are a few examples of our focus on elevated service and consumer experience.

National Contact Center Management (“NCCM”) at HCA is managed centrally and provides support to all of our communities for care coordination efforts, and would be offered to NHRMC. The agents at the contact center call on behalf of local facilities and introduce themselves as such. NCCM provides support for physician referrals for patients who are discharged out of Care Now, ER (including FSED’s), and inpatient facilities. Calls are made within 48 hours of discharge. In 2019, NCCM expanded their reach by including texting capabilities for patients to set up appointments via text messages. NCCM provides additional care coordination support across the organization through a nurse triage line, post-navigation surveillance, class and event registration, and navigation support. The structure of NCCM provides HCA with a shared-service infrastructure with regard to reporting and analytics, account management, and patient portal support.

We know that today, when so many people are uninsured or underinsured, it is important for all individuals to have access to healthcare pricing information. We are committed to making this information available to consumers so they can better anticipate and understand their financial responsibilities and make informed healthcare decisions. We also know that healthcare is complex and that a general listing of prices for our common procedures will not meet everyone’s needs. As a result, we have developed a toll-free number where consumers can contact us directly for a prospective service quote. Our goal in making this information easy to access is to remain a leader in key healthcare initiatives aimed at better and more informed patient care. Question 1.8.1 further details our strategy and upcoming offerings to provide cost information to our patients.

Our revenue cycle processes are patient-centered and strive to contribute to an overall positive patient experience. We have a full list of initiatives, including both technology-driven and process-driven, targeted at raising our service levels and improving our patients experience. These initiatives include a concierge registration model, virtual registration in free standing EDs and urgent care, and enhanced and real time reporting for supervisors and managers using mobile alerting to manage workforce staffing. These are just a few examples of the focus we have on continuously elevating the service we provide to our patients and stakeholders.

Section 1.9 describes our broad telehealth and virtual care program offerings which are examples of the move to digital health platforms.

1.8.1. Discuss how Respondent supports and engages patients to make informed healthcare decisions (e.g., using cost transparency tools, providing patient education, etc.).

Please see response to question 1.8 for details around HCA’s approach to supporting and engaging patients. As noted, it is a priority for HCA that our patients are informed about and
engaged around their healthcare decisions. HCA engages patients through multiple channels in order to meet this goal. HCA’s digital strategy incorporates patient education materials on clinical conditions, in order to ensure our patients have resources to inform their decision making. As a component of this strategy, our MyHealthOne web-based application is an easy-to-use tool where our patients can view details of recent hospital visits, view hospital lab results, sign up for classes and events, view and pay hospitals bills, find a doctor, pre-register for procedures, or even manage the health of a loved one.

Our Customer Relationship Management (“CRM”) center provides 24/7 nursing coverage to answer clinical questions and to assist patients via a compliant referral process to the best point of care for their clinical need. Through our Care Management programs, clinical navigators assist patients in understanding the complex healthcare system and their clinical journey for their specific diagnosis. This navigation covers patients from the inpatient setting to various ambulatory settings. HCA benefits from its scale and is able to provide navigation support to our patients through the entire care continuum across our various entities.

In order to support patient engagement and informed patient care when it comes to pricing, we have a detailed pricing list available on each of our facility websites. Additionally, we have a listing of prices for the top 20 volume procedures with the uninsured discount already applied to provide a true estimate of what an uninsured patient’s out of pocket costs could be for non-emergent services, which has been highly useful for our patients. For patients with insurance, there is a dedicated phone line staffed by our pricing estimation team who can provide a prospective patient with a detailed estimate based on their own specific insurance plan and benefits. In 2020, we will be implementing an online patient estimation tool which will allow prospective patients to ‘self-serve’ and obtain their own estimate based on their insurance coverage for the top 300 procedures.

To further support informed patient decision making, HCA has partnered with Loyale Healthcare whose technology and process solutions enable more informed and successful financial relationships between providers and patients. Loyale’s unique offering is their ability to engage patients prior to their care experience in order to perform out of pocket cost estimates and create a financial plan proactively with the patient, who is involved and informed throughout the estimation and planning process. This process yields increased price transparency, time savings, and advanced notice of financial responsibilities for patients as they make their decisions on where and when to receive care. Additionally, patients have the ability to create their own financial plan through multiple payment and financing options.

1.8.2. Describe the scope and timing of implementing any of Respondent’s initiatives at NHRMC and/or within the Service Area.

HCA Healthcare has experience with many of the Electronic Medical Record systems, including EPIC. HCA would work collaboratively with NHRMC to determine which initiatives would most benefit NHRMC, given it already has a robust consumer-facing offering, including an Epic-enabled EMR with its MyChart portal. A current state assessment would be completed and then the scope, development, and implementation timing could be determined jointly with NHRMC leadership to further enhance NHRMC’s consumer-facing offerings. Similarly, within the surrounding service area, HCA would learn from NHRMC’s leadership
and community what initiatives, as well as the timing of their implementation, would be most beneficial.

1.8.3. Provide examples of the successful implementation of such initiatives in communities served by Respondent.

In addition to HCA’s broader digital strategy and our MyHealthOne portal, local markets develop their own content for their websites, which provide patients with details on local physicians, locations in which to access care, and educational information. For example, Mission Health in Asheville pioneered a “continuum of convenience” so that patients can access the level of care that they desired when, where, and how they wanted. This continuum of convenience includes online virtual visits at transparent and accessible price points, open access to primary care practices, in addition to traditional primary care, and multiple EDs. Mission Health had also established a centralized call center with online scheduling and bill pay.

After the purchase of Memorial Health in Savannah was completed, HCA and Memorial leadership discussed what initiatives fit with the Savannah community. Based on Memorial Health’s existing offerings, we jointly determined which initiatives to prioritize and implement in the first 12 months. Memorial implemented an online appointment scheduler for all of the system-owned physician practices. HCA provided follow up cardiovascular care and assistance in appointment scheduling with its CareAssure program. Memorial Health’s digital presence was expanded through an extensive email campaign around health education and wellness. We anticipate we would go through a similar process with NHRMC leadership.

1.9. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to further enhance telehealth programs (e-visits and consults; remote specialty monitoring such as eICU) and similar digital health platforms and capabilities.

As one of the largest providers of telehealth services in the country, HCA would collaborate with NHRMC to determine next steps and priorities in the further development of their capabilities. At HCA, our vision is to utilize telehealth as an enabler to utilize HCA Healthcare’s clinical and operational scale capabilities to provide world-class healthcare services. We strive to provide a telehealth patient experience that is as good as or better than a direct patient encounter. HCA is a national leading provider of telestroke, telepsychiatry, and telematernal/fetal medicine with 946 programs across 409 sites. The mission of our Telehealth team is to improve clinical quality, increase patient access, optimize provider coverage, and significantly contribute to making world-class healthcare more affordable.

HCA Healthcare Telehealth Current State (as of November 2019)
Telehealth is segmented across 3 major areas within HCA: Extend Patient Access, Acute & Facility Based, and Post-Acute Care.

The vast majority of our Telehealth work is concentrated on Acute & Facility-based services comprising of emergent consults, real time diagnostics & clinical decision support, rounding and monitoring, multi-specialty teams, and Tele-mentoring (for surgery). These services are delivered in the ER, inpatient, urgent care, and outpatient clinic settings. HCA utilizes an agile round and respond telecritical care model in which the equipment is moved to the patient at the site of care whenever an intensivist is needed to support the care team. This model incorporates a 24-hour rounding element and 5 minute required response time for any acute cases. This model extends across 409 HCA and Care Collaboration (non-HCA) facilities. Acute & Facility-based services have demonstrated increased distribution of care, connection to the best available care team regardless of location, and provider optimization.

- Telehealth services to extend patient access include PCP practice extension, telehealth consults, surgery consults, chronic care management, and telehealth outreach. Care is most typically delivered at PCP offices or Urgent Care clinics, but can also be accessed at home or work. HCA utilizes our telehealth services as an additional way to be a trusted health partner for life with our patients. As such, we do not participate in direct to consumer video eVisits, due to their anonymity and inability to navigate long term patient support across the continuum for our patients. The benefits seen by this segment of our telehealth services include extended access, continuity of care, personalized care, and patient education.

- The post-acute care telehealth services that are offered at HCA are remote patient monitoring, enhanced care plans, case management, post-transplant support, drug trials, and chronic care management. Post-acute care services are utilized at home, Skilled Nursing Facilities, Inpatient Rehab Facilities, Long Term Care Facilities, or...
Inpatient Transition units. These services have seen success with improved feedback on alerts and action plans, actionable data, and ongoing education.

1.9.1. Discuss Respondent’s strategy to receive a reasonable reimbursement for these services.

Our managed care team would work in concert with the NHRMC team to collaboratively approach payers to ensure reasonable reimbursement for this essential service. Medicare already allows for reimbursement of certain, designated telehealth services.

1.9.2. Describe the scope and timing of implementing any of Respondent’s initiatives (for both urban and rural populations) at NHRMC and/or within the Service Area.

As a Certified Comprehensive Stroke Center and Level II Trauma center, NHRMC is well positioned for multi-specialty telehealth, and would be the hub for both urban and rural populations and facilities. Upon an affiliation with HCA, NHRMC would have immediate access to HCA’s telehealth resources to determine a strategy for telehealth. The timing of deployment would be dependent on the needs of the community and the current position of telehealth in the market.

HCA has a proven history of success with rural telehealth with several long-standing telehealth agreements in place for over a decade. HCA has relationships with critical access hospitals in the majority of states in which we operate, including North Carolina, Texas, Florida, South Carolina, Georgia. Currently, there are 946 active telehealth programs in the HCA Care Collaboration Network, which includes both HCA and non-HCA facilities. 70% of our outreach facilities are Critical Access Hospitals. HCA would want to discuss with NHRMC leadership what else could be done to support Pender Memorial Hospital and other critical access hospitals in southeast North Carolina via telehealth.

Further, HCA has a national approach to outreach that incorporates leadership from Physician and Provider Relations, Strategy & Development, and Telehealth Leadership. This team would work with NHRMC to determine site and strategic prioritization either before or within 120 days of an established relationship.

1.10. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to establish a Command Center to monitor data from the health system and use it to improve efficiency, quality and safety and to manage inpatient referrals for advanced care.

HCA manages data at scale and is able to create action plans to improve efficiency, quality, and safety as a result of data visibility and analytics. We will bring our programs that have been successful in improving efficiency and operations as additional programs to supplement your current initiatives. We would utilize the most current data available to administer quality and safety initiatives that we have within HCA and would manage these initiatives in collaboration with NHRMC.
In more detail, immediately following closing, HCA’s Clinical Operations and Performance Analytics (“COPA”) can begin ingesting and using the existing administrative data for performance management. The more detailed clinical data will be processed and reviewed through a separate process performed by the hospital quality department. The data used for such analysis will be the most current data currently available to NHRMC for evaluation. Routine quality operating reviews (“QORs”) will occur at regular intervals between the facility and other HCA leaders. This manual process will be necessary until NHRMC’s electronic health record (“EHR”) is integrated into the HCA clinical data warehouse (“CDW”). Following integration, the clinical data will feed into existing automated analytical dashboards and performance management reporting tools.

HCA uses various forms of clinical and operational data sources to improve clinical outcomes and increase the efficiency of care delivery. HCA has developed a robust and broad clinical agenda with numerous clinical improvement initiatives in areas such as sepsis, ICU mechanical ventilation, ischemic stroke, diabetes, blood transfusions, infection prevention, diagnostic imaging, cardiovascular disease, solid organ transplantation, surgical services, trauma surgery, inpatient rehabilitation, women services, and behavioral health. The collected data is used to measure performance, benchmark outcomes, and drive clinical improvement programs.

HCA Clinical Services Group (“CSG”) provides continuous performance and benchmarking of credentialed practitioners (physicians, nurse practitioners, and physician assistants). Most health systems use administrative billing data to monitor physician performance. HCA uses both administrative and clinical data obtained from the EHR to monitor and benchmark practitioner performance. This approach provides more in-depth insights into specialty-specific performance.

HCA also continuously seeks to improve how we utilize real-time data to improve patient care and efficiency. In east Florida, HCA currently has a pilot partnership with GE to expand our Command Center capabilities and Mission Health has a live GE-partnered Command Center covering all of its operating rooms and recovery beds.

HCA is an industry leader in clinical analytics of hospital and practitioner performance. New Hanover Regional Medical Center will gain more significant insights into their clinical outcomes and an opportunity to improve clinical care.

1.10.1. Briefly discuss Respondent’s experience fostering collaborative relationships that establish regional and national systems.

HCA Healthcare is a large national health system comprised of fifteen domestic divisions, each of which functions as a large regional health system. Many of HCA’s regional medical centers provide tertiary and quaternary services such as trauma, burn care, neonatology, solid organ and bone marrow transplantation, cardiac surgery, and oncology services. These service lines have primarily been successful through the development of collaborative relationships with other community hospitals within the regions in which we serve. Our existing network of transfer centers enables providers to obtain a timely referral into these facilities without delay.
As noted previously, HCA’s 15 transfer centers across the enterprise are designed to provide streamlined access to the right facility at the right time for every patient throughout the continuum of care. Each transfer center is staffed with experienced nurses and paramedics and supports a variety of functions including ER and inpatient transfers, direct admissions, ER Notifications, telehealth and in select locations, centralized patient placement. The transfer centers play a critical role in improving access to care for our patients, ensuring compliance with EMTALA, and driving growth through volume and retention. The experience and knowledge of HCA’s transfer centers can be applied to NHRMC’s current process for inpatient transfers if appropriate.

1.10.2. Describe the scope and timing of implementing a Command Center at NHRMC.

HCA Healthcare would partner with the local leadership team in order to properly scope, time, and implement one or more Command Center(s) at NHRMC. We anticipate that NHRMC would have certain Command Center capabilities from day one, as HCA will have immediate visibility into administrative data and the ability to monitor clinical data through existing processes. The capabilities and support will expand further as NHRMC’s electronic health record ("EHR") is integrated into the HCA clinical data warehouse ("CDW"). The scope and timing of expanding upon those initial capabilities would be determined collaboratively between HCA and NHRMC leadership after mutual study and evaluation.

1.11. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to facilitate care delivery and wellness services in rural areas.

HCA Healthcare has extensive experience in supporting and extending care with rural community partners. We would work with the NHRMC team to understand service line needs, physician capacity, community migration patterns, outpatient clinic support, telehealth opportunities, communication strategies, and other strategic goals and objectives for a valuable rural health partnership.

HCA owns and operates a number of different types of strategies and structures in rural areas today, such as Rural Health Centers, outpatient clinics, telemedicine programs, accreditation and certification assistance, education of ER and EMS providers, service line affiliations, joint ventures, service line leadership support, and personalized relationships to advance the partnership value through dedicated physician relation professionals.

We understand the unique challenges and market dynamics to effectively support and expand a rural healthcare program and meet the needs of their growing community today and in the future. This commitment to rural care support and growth is reflected in HCA Healthcare’s network operations of free-standing emergency departments, urgent care centers, ambulatory surgery centers, telehealth programs, physician practices, transfer agreements, and air ambulance services. This robust and well-developed offering will allow for the rapid and reliable expansion of excellent, effective, and timely care delivery and wellness services in rural communities.
1.12. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to prepare for, respond to and recover from natural disasters with specific detail on hurricane, tropical storm and storm surge preparedness, response and recovery.

An affiliation with HCA would give NHRMC access to enterprise-wide resources and experience with disaster preparedness and recovery. For nearly a decade, HCA has had a formalized emergency preparedness program, that has developed into an Enterprise Preparedness and Emergency Operations (“EPEO”) dedicated department and program. Over the past year alone, this department has supported over 900 enterprise incidents and more than 1,200 facility-based drills/exercises. The EPEO department has deployed enterprise incident support teams to a wide range of natural disasters including hurricanes, wildfires, earthquakes, tornadoses, and severe storms, in addition to terror events such as mass-shootings. With many of our facilities located in coastal areas, hurricane preparation is a central part of our emergency planning. Recently, more than 100 nurses volunteered to travel to areas impacted by Hurricanes Michael and Florence. During Hurricane Florence, HCA Healthcare donated $500,000 to the Red Cross to support hurricane relief efforts, and now has a dedicated full-time partnership with the American Red Cross.

HCA Healthcare’s Enterprise Emergency Operations Center has also been actively engaged in monitoring the novel coronavirus in Wuhan, China since mid-December 2019. In collaboration with federal and international healthcare leaders on the risk and potential for a global pandemic, the HCA Emergency Operations leadership decided to virtually activate the command center on February 10th, 2020. Weekly briefings have been provided across the organization to educate our organization on the virus, now named COVID19. Additionally, the EOC leadership conducted an enterprise pandemic response TOPOFF exercise (Top Officials), to assess readiness and response capabilities and gaps in anticipation of a likely pandemic event. Following, all facilities were directed to review their pandemic plans and conduct a table-top exercise and develop active workplans to ensure readiness and response capabilities.

Currently, HCA Healthcare is fully engaged in a whole-of-company response to mitigate COVID19 in our facilities, with the priority on protecting staff, ensuring a safe environment of care, managed supply chain and effective response to care for the COVID19 population in our community, while maintaining operations as close to normal as possible. This is the number one enterprise priority at this time. Taking an active community role to provide education, and resources to our facilities the enterprise EOC has activated an all-hands response across the corporate offices. Additionally, as a responsible leader in the healthcare industry, HCA executive leadership has engaged with the Federation of American Hospitals, American Hospital Association and many of the nation’s health systems to actively lead the industry posture in mitigation of COVID19.

In addition to our ongoing readiness initiatives, our organization’s scale allows us to secure nationwide contracts for dedicated helicopters, ambulances, medical supplies, medications, housing, materials, staff that can deploy across the nation, and services we may need to ensure continued clinical and business operations, even under dire circumstances. During
hurricane Florence as just one example, we were able to secure staff, supplies, helicopters, medical jets, and security to ensure the safe movement of our patients out of harm’s way, and to ensure our facilities and community continued to have access to the uninterrupted provision of quality care.

Our efforts are not just focused on HCA entities. While our patients, staff, and facilities are our top priority, our commitment to the community is steadfast through regional emergencies and disasters. During hurricane Michael, we provided a neighboring health system with five of our dedicated helicopters to assist in urgently evacuating their patients away from risk. Local relationships are essential to the coordination of care and response to community emergencies. We develop local relationships with government personnel and emergency response agencies so that communication channels and trust are in place well in advance of a crisis.

2. **Advancing the Value of Care**

2.1. **Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to maintain and improve high-quality care while controlling the cost of healthcare delivery.**

HCA has a number of support services that could advise and assist NHRMC’s initiatives in the areas of quality improvement and cost efficiency. As the healthcare landscape continues to evolve, HCA is building strategic capabilities with respect to a number of alternative delivery models such as bundled payments, risk-bearing relationships, and other mechanisms that emphasize the value of care delivered across our markets. One of the advantages of HCA’s scale is the ability to pilot different risk and care delivery models across our platform, assess and perfect those models, and deploy the models to markets at the appropriate time. We are able to take advantage of our presence in markets with varying demographics and competitive dynamics by testing our capabilities while maintaining a strong position in the midst of healthcare reform.

HCA has developed physician networks and deployed value-based models such as Medicare ACOs or Clinically Integrated Networks (“CINs”) in a number of diverse markets across the country including large metropolitan areas and smaller rural regions. Overall, we have 11 network and value-based entities including:

- Five Clinically Integrated Networks (“CINs”)
- Four CMS Accountable Care Organizations (“ACOs”)
- Two Management Services Organizations (“MSOs”)

HCA’s Clinical Services Group (“CSG”) is a multi-disciplinary team of physicians, nurses, clinicians, technicians, and analysts who represent all dimensions of a learning healthcare system. CSG works in support of HCA Healthcare facilities to promote clinically excellent, patient-centered care. As the healthcare landscape continues to change, CSG will remain at
the forefront of developing new strategies, tools and tactics to fulfill HCA Healthcare’s mission. HCA’s Clinical Services Group continues to focus on initiatives that drive quality improvements in our hospitals.

HCA also has a Performance Improvement (“PI”) team that focus on operating efficiency to help control the cost of healthcare delivery. The PI team focuses on identifying, quantifying, and executing cost-saving ideas and process efficiencies that improve patient care and utilization of resources. Additionally, HCA’s centralized revenue cycle management service help control the cost of administrative activities.

The teams mentioned above will assist and partner with NHRMC to maintain and enhance the delivery of high-quality healthcare in the broader Wilmington community.

2.1.1. Describe Respondent’s innovative strategies to help control out-of-pocket costs, including those for patients with high-deductibles and copays as well as self-pay patients.

HCA Healthcare has an overarching program comprised of several support services and industry-leading policies and practices that are intended to protect patients from costs associated with unexpected healthcare needs. We believe this program provides substantial protection for our patients who need financial assistance. In 2019, approximately 8% of our inpatient hospital admissions and 20% of our emergency room visits were uninsured, which represent almost two million patients. In addition, a growing number of insured patients find themselves strained financially due to high deductibles or high copayment requirements.

*Through the generous charity and discount programs described below, HCA Healthcare provided more than $3.5 billion in uncompensated care in 2019 alone.*

**Patient Discounts and Protection**

Covering both uninsured and under-insured patients, HCA Healthcare applies a sliding scale discount on patient amounts due based on federal poverty guidelines (“FPG”) and household income. The individual policies include:

- **Charity Care Policy**: provides a 100% write-off of costs related to emergent, non-elective services for qualifying patients. Patients with annual household incomes of less than 200% of FPG qualify for this program.

- **Expanded Charity Care Policy**: provides financial relief for emergent, non-elective services to families with annual household incomes between 200% and 400% of FPG. For patients who qualify for this program, we cap their out-of-pocket balances at 4% of their annual income using a sliding scale. *For example, a family of four with a household income of $100,000 would have their liability capped at $4,000.*

- **We make both of these charity care policies available to all patients**, regardless of their insurance coverage.
• **Uninsured Discounts Policies**: offers patients with no insurance, or exhausted insurance benefits, a discount for emergency services. The discount averages 88% of the patient’s total bill, which is similar to expected reimbursement for patients with Medicaid coverage.

• **Under-insured Discounts/Patient Liability Protection (“PLP”)**: the PLP program provides protection for patients with household incomes between 400% and 1,000% of FPG. The discounts under this program help patients who may find themselves with limited coverage, a high deductible, or who may be out of network. Similar to the policies above, these discounts are need-based and calculated on a sliding scale based on the patient’s annual household income. The PLP discount can be applied in conjunction with other financial assistance policies.

**Prompt Pay and Time-of-Service Discounts**

We use our call centers and various technologies described earlier to provide patients with estimates, when available, of their out-of-pocket costs in advance of most elective procedures. Patients who make payments at the time of service for their estimated financial liability receive a discount that ranges from 10% to 20% of the amount owed.

**Financial Counseling**

We have resources available to any patient who needs financial counseling and assistance in applying for Medicaid or other eligible coverage. We also work, when appropriate, with patients to establish interest-free payment arrangements.

**Collections**

HCA Healthcare is committed to the responsible collection of healthcare payments. We recently made the decision to apply two new policies in this area to better relieve the financial burden of our patients.

• In 2019, we stopped reporting to credit bureaus on all patient bad debt accounts. Additionally, we recalled all existing accounts from the three credit bureau companies.

• Also in 2019, we stopped any litigation activity that involved suing patients or filing liens on patient bad debt accounts.

Further description of HCA’s approach to managing out-of-pocket costs for insured and self-pay patients is referenced in section 3.1.1.

**2.1.2. Describe any health plan owned or joint ventured by Respondent. Discuss the rationale for this “vertical” strategy and how it furthers the goals and objectives of Respondent’s organization.**

HCA does not own or joint venture any health plans. Rather, HCA strives to be a provider system of choice with key payers by providing cost efficient, convenient, high quality care.
HCA has national and local relationships with all the major payers in its markets and develops CINs and ACOs in certain communities.

2.1.2.1. Comment on Respondent's position on continuing NHRMC's efforts to establish, own and operate a Medicare Advantage health plan.

Historically, HCA’s core competencies as an organization are those related to providing high quality healthcare services. In the ever-changing healthcare landscape, it is critical to assess and implement different strategies. HCA would work with NHRMC to evaluate whether the operation of a Medicare Advantage health plan would be in the best interest of the health system.

2.1.2.2. Describe how any health plan affiliated or partnered with Respondent could enhance NHRMC’s efforts to lower cost and improve access in the Service Area.

While HCA does not operate a health plan, HCA works with our payer partners to develop agreements focused on creating value for all parties. All of our major payer arrangements include components that are focused on achievement of quality metrics, and HCA has a number of programs designed to improve patient care and reduce overall healthcare expense. A few examples of these programs include:

- HCA’s innovative Sepsis Protocol, which has generated significant savings for our payer partners through the development of an early detection program and a series of care pathways that significantly improve patient outcomes.

- HCA’s “My 39 weeks” program that focuses on reducing the number of births prior to 39 weeks which dramatically impacts the health and well-being of the baby and reduces costs associated with higher-acuity services such as neonatal intensive care.

In each of these examples, HCA has created greater value for patients through enhanced patient outcomes and lowered overall healthcare spend.

In terms of access, HCA Healthcare strives to be in-network with significant payers so that as many members as possible have coverage when they visit our facilities. HCA has demonstrable experience in maintaining in-network status across the organization.

2.1.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to establish and further participate in value-based provider networks (e.g., ACO and CIN) and/or value-based care initiatives.

HCA has expertise in a wide range of value-based provider networks. We would offer our expertise to collaborate with NHRMC leadership and advise on different arrangements that NHRMC is evaluating. HCA’s forward-thinking initiatives across the United States, related to population health management and value-based care, include programs such as Shared Savings/Gain Sharing, Clinically Integrated Networks, Physician Capitation, Clinical Co-Management, Global Case Rates, Patient-Centered Medical Homes, Risk Contracting for
Medicare Advantage health plans, Accountable Care Organizations (“ACOs”), and CMS Bundled Payments for Care Improvement (“BPCI”).

HCA and NHRMC leadership would work together to develop a plan to evaluate and participate in certain of the value-based care models noted above in order to determine which of these arrangements improve value and the affordability of healthcare available to the population of Wilmington and the surrounding region. This approach allows the sharing of learned experiences and expertise across HCA Healthcare markets and enables HCA Healthcare’s local management teams access to the resources and experiences needed to adjust and adapt to changes in their local markets.

To support development efforts across the country, HCA has a team dedicated to standing up and supporting new networks. To accelerate and assist this effort, HCA is creating a scalable infrastructure that we would be able to deploy in the Wilmington market including:

- National payer agreements with major payer for both commercial and Medicare Advantage plans;
- Standardized legal structures including operating agreements, management services agreements and physician participation agreements;
- Advanced analytics platform to assist care managers in identifying high-risk patients and networks in measuring performance of primary care providers and specialists; and
- Best practices for operations including Board composition, committee structure, shared savings distributions, compliance, staffing ratios and performance scorecards.

Additionally, HCA has been participating in CMS Medicare bundled payment arrangements like BPCI, CJR, and BPCI Advanced for five years. While HCA has significant breadth and depth of experience regarding these models, we believe the opportunity to collaborate with NHRMC leadership would benefit both parties.

**2.1.3.1. Discuss Respondent’s approach to NHRMC’s existing value-based networks, including any opportunities to expand or improve upon these networks.**

HCA would continue to support and enhance NHRMC’s value-based networks. The industry is clearly shifting from fee-for-service arrangements toward value-based care models over time. We would want NHRMC to be well positioned for the ongoing shift in payment methodologies. HCA would share our experience from other markets to advise and inform NHRMC’s strategies. HCA also believes in greater access and convenience for patients. HCA would look to bring infrastructure and expertise to help support NHRMC’s patient-centered care initiatives – the pursuit of value begins with patient experience.

HCA’s forward-thinking initiatives across the United States related to population health management and value-based care include:
- Shared Savings/Gain Sharing,
- Clinically Integrated Networks,
- Physician Capitation,
- Clinical Co-Management,
- Global Case Rates,
- Patient-Centered Medical Homes,
- Risk Contracting for Medicare Advantage health plans, and
- ACOs and CMS Bundled Payments for Care Improvement.

Each of the payment models noted above are fully operational and HCA has the ability to pilot and test a variety of approaches in different markets as there is not a “one-size-fits-all” framework. **This approach allows the sharing of learned experiences and expertise across HCA markets and enables HCA’s local management teams access to the resources and experiences needed to adjust and adapt to changes in their local markets.**

As an organization with 11 existing value-based entities, HCA would bring a network of peers for NHRMC leadership to interact with and share best practices. To facilitate this exchange of ideas, HCA has monthly Executive Roundtable calls where leaders from our existing entities have the opportunity to discuss issues, opportunities, and new programs such as CMS’s recent [Direct Contracting](#) and [Primary Care First](#) programs.

One of the advantages of having a number of physician networks is that HCA has been able to develop scaled infrastructure that all of our entities can utilize including:

- National Payer Agreements (commercial and Medicare Advantage)
- Advanced Analytics platform
- Best practices for Board Composition, Committee Structure, Distribution Methodology and Compliance
- National peer network (monthly meetings where network leads discuss current issues and solutions)

Additionally, as noted above, HCA is focused on the development of scaled infrastructure that both new and existing entities will be able to utilize to improve operations. Below is a short overview of two HCA higher performing networks:

**Clinically Integrated Network**
Virginia Care Partners (“VCP”) is a physician-led clinically integrated network, the first of its kind in Central Virginia. VCP has more than 900 PCPs and specialists comprised of approximately 700 independent and 100 HCA-employed providers.

In an effort to control costs and improve the quality of care, the healthcare industry is turning from a fee-for-service reimbursement model to one that focuses on value. In a value-based care model, high-performing physicians focus on improving patient outcomes through disease management and lowering costs by decreasing the need for emergency department visits and hospitalizations. This model requires:

- A relentless focus on quality
- Collaboration and increased communication amongst providers across a variety of healthcare settings
- Delivery of the right treatment at the right time
  - wellness and prevention when patients are healthy
  - integrated specialty care when patients are sick
  - comprehensive care management services for chronic conditions

Physicians are being asked to demonstrate how they are providing high quality care, yet they typically do not have access to the same resources and technology used by hospitals and insurance companies to measure quality care. Moreover, physicians often have not had a voice when the business of healthcare is discussed.

In response to these challenges, a group of independent physicians, in partnership with HCA Virginia, came together in 2012 to establish the first physician-led, clinical integration network in Virginia. Built on a foundation of technology that enables the gathering, sharing and evaluation of quality data across diverse care settings (inpatient, outpatient and ambulatory), VCP brings independent and HCA-employed physicians and providers to the forefront in crafting sustainable, patient-centered solutions. Patients benefit from quality, coordinated, evidence-based healthcare that allows them to better manage their own health in partnership with the network of VCP providers.

VCP manages care for nearly 200,000 lives under commercial contracts with Anthem, Aetna, Optima, Cigna, United Healthcare and Medicare Advantage contract with Humana and 23,000 Medicare beneficiary lives as an ACO.

**Accountable Care Organization**

Mission Health Partners (“MHP”) is one of the largest Accountable Care Organizations in the
United States, with value-based agreements in place with payers that allow MHP to provide care coordination services for at-risk patients under these health plans while also providing incentives for physicians to improve quality and reduce unnecessary costs. MHP currently serves approximately 90,000 patients in western North Carolina – nearly 10% of the entire population within the region, with an overall goal of improving health outcomes and reducing costs.

MHP has over 1,100 participating physicians who have committed to improving quality and optimizing the individual experience of care for at-risk patients. MHP utilizes a unique and innovative combination of data-driven initiatives and the implementation of an innovative care coordination model that focuses on social determinants of health – that is, the social and environmental factors that may have a significant influence on a patient’s health outcomes.

2.1.3.2. Describe any operational or strategic synergies that may be captured by combining Respondent’s value-based networks with NHRMC affiliated or partnered networks.

HCA believes that there are operational synergies to be achieved by leveraging our infrastructure. Since Wilmington is a new market for HCA, we do not have a local network to combine. NHRMC would remain the key anchor provider in the network. HCA can build upon what has already been initiated and will support NHRMC with our national scale and expertise. Over time, we can work together to determine if there is value in creating a North Carolina network with HCA’s other facilities in the state or a network that includes HCA’s hospitals along the coast in South Carolina and Georgia.

As noted above HCA has been able to develop scaled infrastructure that all of our entities can utilize including:

- National payer agreements with major payers for both commercial and Medicare Advantage plans
- Standardized legal structures including operating agreements, management services agreements and physician participation agreements
- Advanced analytics platform to assist care managers in identifying high-risk patients and networks in measuring performance of primary care providers and specialists
- Best practices for operations including Board composition, committee structure, shared savings distributions, compliance, staffing ratios and performance scorecards

2.1.4. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s capabilities in value-based care contracting models (e.g., bundles, shared savings, capitation, etc.) with commercial insurers, employers and governmental health programs.

HCA has abundant experience contracting across all of these models with a variety of payers. We would utilize that expertise and experience to address gaps, if any, in value-
based care contracting models and relationships to support NHRMC. HCA has significant depth in its contracting capability due to our visibility into trends across our 42 markets. Our experience bridges contract structures, rate modeling, population health models, risk contracting, and a thorough auditing mechanism to ensure HCA is reimbursed appropriately according to the language in our contracts.

HCA’s forward-thinking initiatives across the United States related to population health management and value-based care, include Shared Savings/Gain Sharing, Clinically Integrated Networks (“CINs”), Physician Capitation, Clinical Co-Management, Global Case Rates, Patient-Centered Medical Homes, Risk Contracting for Medicare Advantage health plans, Accountable Care Organizations (“ACOs”), and CMS Bundled Payments for Care Improvement.

Each of the payment models noted above are fully operational and HCA has the ability to pilot and test a variety of approaches in different markets as there is not a “one-size-fits-all” framework. This approach allows the sharing of learned experiences and expertise across HCA markets and enables HCA’s local management teams access to the resources and experiences needed to adjust and adapt to changes in their local markets.

As an example, HCA has participated in several other CMS value-based structures including the Primary Care Plus (“PCP+”) model in two markets (Kansas City and Denver) and the Bundled Payments for Care Improvement Advanced (“BPCI-A”) at 80 of our hospitals. Of particular note, HCA saw over 30,000 BPCI-A cases in 2018 and achieved savings in excess of $53 million.

2.1.4.1. Discuss Respondent’s outlook on the timing and materiality of future value-based arrangements.

As has been our experience across 21 states and over 40 markets, the timing and materiality of value-based arrangements varies considerably by geography and even by local region. Today, healthcare remains largely a fee-for-service based industry despite trending over time toward value-based arrangements; however, there are HCA markets, such as California, south Florida, and parts of Texas that already have experienced significant shifts towards value-based payment structures.

Strategically, HCA operates under the premise that healthcare is and should remain local, and the key to long-term sustainable success is to monitor local dynamics to ensure that HCA hospitals have the support to operate a high quality, financially stable network across all types of payment structures and models.

HCA would work with NHRMC to continue to survey the payer landscape to determine payers’ willingness and ability to move to more value-based payment methodologies. HCA would continue to support NHRMC’s efforts in this area with a focus on developing and enhancing the capabilities needed to succeed in a value-base care environment.
2.1.4.2. Discuss how Respondent could help NHRMC enhance value-based care contracting efforts. Describe specific programs and plans that Respondent would implement at NHRMC.

HCA has significant depth in its contracting capability due to our visibility into trends across our 42 markets. This experience bridges contract structures, rate modeling, population health models, risk contracting, and a thorough auditing mechanism to ensure HCA is reimbursed appropriately according to the language in our contracts.

As the healthcare landscape continues to evolve, HCA is building strategic capabilities with respect to a number of alternative delivery models that emphasize the value of care delivered in all of our facilities. One of the advantages of HCA’s scale is the ability to pilot, assess, and perfect different risk and care delivery models throughout our organization. Once ready, HCA deploys the appropriate model to markets at the appropriate time. We are able to learn from the varying demographics and competitive dynamics in our communities in such a way to test our capabilities while maintaining stability in the midst of healthcare reform. Key initiatives that HCA is currently pursuing include the development of patient-centered medical homes, support of long-standing PHOs and IPAs, evolution of Medicare Advantage lives from fee-for-service to risk-bearing pilots, implementation of pay-for-performance (“P4P”) contracts with self-funded employers, development of employer clinics to deliver work-site care, bundled payment services, development of HCA’s population health management capabilities, and development of clinically integrated networks.

HCA’s forward-thinking initiatives across the United States related to population health management and value-based care include Shared Savings/Gain Sharing, Clinically Integrated Networks, Physician Capitation, Clinical Co-Management, Global Case Rates, Patient-Centered Medical Homes, Risk Contracting for Medicare Advantage health plans, ACOs, and CMS Bundled Payments for Care Improvement.

Each of the payment models noted above are fully operational and HCA has the ability to pilot and test a variety of approaches in different markets as there is not a “one-size-fits-all” framework. *This approach allows the sharing of learned experiences and expertise across HCA markets and enables HCA’s local management teams to access the resources and experiences needed to adjust and adapt to changes in their local markets.*

2.1.5. Provide detail on how cost and quality and patient safety were impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent. Please rely on the examples provided in response to section 6. Driving Quality of Care throughout the Continuum and 8. Ensuring Long-Term Financial Security.

An affiliation with HCA would enable access to our clinical data warehouse and associated analytics platform which facilitates benchmarking across a variety of different metrics including those related to quality and patient safety. Due to the vast size of our clinical network, we have been able to utilize our clinical data in order to develop robust quality and safety initiatives across our enterprise.
The acquisition of Mercy Hospital, located in Miami, FL, in 2011 is an example of how HCA was able to positively impact quality. One of the keys to the successful integration of Mercy Hospital was a deep focus on clinical excellence. Through implementation of our quality initiatives, Mercy saw improvements in Core Measures scores, and reduced infection rates for VAP, ICU, CLABSI, and UTI (to levels below national average). Mercy received recognition in key clinical programs such as HealthGrades and AHCA.

HCA’s enterprise Sepsis program has focused on reducing inconsistent identification and delayed treatment of severe sepsis and septic shock patients to improve mortality risk. Over the past 24 quarters, increased Sepsis Bundle compliance within 3 hours has contributed to a 1,420 basis point reduction in sepsis mortality rate. Recently affiliated hospitals have the opportunity to see similar results from this program.

HCA Sepsis Mortality Rate vs. Bundle Compliance

![Graph showing HCA Sepsis Mortality Rate vs. Bundle Compliance]

2.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have in developing and/or enhancing NHRMC’s patient satisfaction programs, including monitoring and using feedback to make improvements in the patient experience.

HCA would be able to supplement and enhance NHRMC’s current patient satisfaction programs by drawing from our network of shared best practices and patient experience programs as well as our robust governance to support patient satisfaction.

HCA contracts with Press-Ganey (“PG”) for all patient satisfaction surveys, including HCAHPS. PG also provides consulting support and educational services to our facilities. The PG online dashboards are the primary data source to drive improvement programs, although
HCA Healthcare supplements with additional deep dive analyses to further understand and prioritize our patient satisfaction strategic agenda.

We are able to utilize the size of HCA for best practice sharing, as we have a large, nationwide pool of learnings in which to derive effective, new, and innovation ways to achieve clinical excellence and patient satisfaction. All levels of leadership throughout our organization have aligned performance goals related to driving an improvement in care experience.

As a healthcare system, we are vertically aligned around patient experience with our local markets, with many leaders responsible for driving a compassionate care network. To support this, we have Executive Nursing presence at every level of the organization and the patient experience agenda has shared accountability across all leadership.

HCA is implementing the Compassionate Connected Care Model across our markets in order to reduce patient suffering by addressing patient’s unmet needs. This innovative care model organizes actions into four areas: the clinical, operational, behavioral and cultural aspects of patient care. These domains exist across settings, services and caregivers. Each patient group represents different care experiences, so evaluations of care may vary based on the type of care received. The Compassionate Connected Care model provides leaders and managers with a framework to look at data strategically with the goal of reducing suffering and meeting patients’ unmet needs. Caregivers can target improvement efforts and resources rather than deploying generic improvement processes that may or may not work for a specific patient population. NHRMC would be offered the results and best practices from this model of care to enhance existing patient satisfaction programs.

Enabling our nurses to spend more time at the bedside is important to HCA, our nursing staff, and our patients. HCA utilizes several different technologies in order to achieve this goal, all of which could be implemented at NHRMC. These technologies include:

**Focus on Nurses:** Technology to help return the nurse to the patient bedside through increased efficiency and enabling a fully mobile workforce.

- **Evidence Based Clinical Documentation**  
  Clinical evidence drives the content being charted, screen design and arrangement of data elements focus on the needs of nurses and the rhythm of their workflow during patient care.

- **Nurse Call**  
  Utilize a simple call bell system found in patient rooms and nurses’ stations and transform it into an advanced, integrated technology platform.

- **Mobile Heartbeat**  
  Provide a collaboration platform to allow secure, patient-centric communication between care team members including the eventual deployment of over 100,000 mobile devices.
• **Nurse Issue Resolution**
  Allow nurses and nurse leaders to report issues and receive information on resolution status, the solution will enable quick issue identification and closed loop communications.

2.2.1. **Discuss how Respondent could help NHRMC enhance patient satisfaction.**
Describe specific programs and plans that Respondent would implement at NHRMC.

Our mission: *Above all else, we are committed to the care and improvement of life*, is rooted in patient-centered care, experience, and satisfaction. At NHRMC, participation in the HCA contract with Press-Ganey ("PG") for surveys will enhance patient satisfaction by providing internal and external benchmarking for performance and enabling access to best practices, toolkits, training materials, and improvement programs. In addition to PG benchmarking, **HCA internally benchmarks facilities across the company for metrics that cover patient satisfaction, operations, and quality goals** including: 30-day readmissions, compliance with our sepsis and stroke protocols, door to triage time in the ER, length of stay, and mortality. All of these metrics are monitored closely in order to continuously improve patient satisfaction by providing an efficient and high-quality experience for our patients.

Further, NHRMC would have access to HCA’s Care Experience, a strategic agenda to address patient satisfaction and its accompanying measurable actions, tools, and strategies that may be put into place to achieve the best possible outcomes. **These strategies and tools have earned 81% of HCA facilities a Leapfrog Group Hospital Safety Grade of A or B**. The sequence and pace at which these evidence-based tactics are implemented is relevant to the cultural readiness of your organization, as well as other operational and strategic considerations. Examples of programs that could be implemented at NHRMC include Nurse Leader Rounding, Employee Rounding, and standards of behavior.

A more specific example of a program is the Nursing Bedside Shift Report program, which is utilized in our Nashville and Georgia Markets. The goal of this program is to engage patients and family in their hospital care and to share accurate and useful information between patients, nurses, and families. In this program, nursing staff conducts shift change reports at the patient's bedside, a patient can choose to identify a family member or care giver to participate, and the report should last between 5 and 10 minutes. Research shows bedside shift report can improve patient safety, patient experience, and quality of care by improving communication and improving transitions of care. Through this program, we seek to build trust in the care process by open communication and encouraging our patients and families to participate in their care.

2.2.2. **Provide detail on patient satisfaction for hospitals and health systems that have recently affiliated or partnered with the Respondent.**

Patient satisfaction is a priority to HCA across all hospitals, including newly affiliated hospitals. A few examples of newly affiliated facilities include HCA Houston Medical Center, HCA Houston Tomball, and Memorial Health Satilla, each of which have been integrated into HCA’s patient satisfaction platform.
HCA Houston Medical Center was acquired in August of 2017 and has continued to show improvement in their HCAHPS Overall Rating % Top Box score, which has increased from 68.3% (Q4 2018) to 76.7% (Q4 2019). HCA Houston Tomball, which was acquired in July 2017, experienced a 2.1% increase in their HCAHPS score from Q4 2018 to Q4 2019. Memorial Health Satilla was also acquired by HCA in 2017, went from a C Leapfrog Group Grade to a B, and saw a 2.5% increase in HCAHPS Overall Rating from Q4 2018 to Q4 2019.

2.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have in developing and/or enhancing how NHRMC coordinates patients within the continuum of care, both within the system (e.g., using patient care coordinators) and outside the system.

HCA Healthcare would work in concert with NHRMC to enhance existing programs by sharing expertise and best practices, and would determine what new programs HCA could offer NHRMC. HCA has a number of care management and coordination programs, including specific cancer, cardiovascular, and high-risk perinatal navigation services that can be deployed in our communities. We have technology tools, expert teams, and process resources that all support care navigation.

HCA’s Sarah Cannon Research Institute has created a patient navigation system that addresses the continuum of cancer care. The system is designed to support patient navigators throughout all phases of the treatment spectrum, addressing prevention, screening and early detection, diagnosis, treatment, palliative, and supportive care. By tracking progress, providing checklists, facilitating communication, and producing reminders, the system is a vital tool in the improvement of our capabilities and patient outcome success. Our efforts both strengthen the care that we are able to give our patients and provide support to the staff who administers this outstanding care.

Sarah Cannon Research Institute has invested in oncology nurse navigator to support patients as they go through the many stages of living with cancer. We have implemented technology systems that help manage all of the relevant details of a patient’s care, including appointment management, reminders, surgical consults, eliminating barriers to care, patient interactions and everything in between. This technology and our highly trained staff work together as a very sophisticated “buddy system” – partnered with patients, making sure that we exceed their expectations.

As described in greater detail in 2.3.2, HCA’s Care Assure platform could be introduced at NHRMC to enhance patient care coordination. Care Assure is a proprietary program that provides improved care coordination and delivery via dedicated Nurse Navigators and Patient Care Coordinators to ensure patients receive ongoing disease monitoring, diagnostic testing, and clinically indicated interventions upon discharge from the initial acute care episode in which they were identified. To provide a coordinated experience for our patients, HCA utilizes perinatal nurse navigators to help guide expectant mothers through pregnancy and to introduce patients to a number of services offered through our hospitals.
HCA manages its National Contact Center Management ("NCCM") centrally and provides support to all of our local markets for care coordination efforts; NCCM would be offered to NHRMC. The agents at the contact center call and introduce themselves to patients on behalf of the local facility. NCCM provides support for physician referrals for patients who are discharged out of HCA’s Care Now urgent care platform, our ERs and free-standing EDs, and inpatient facilities. Following best practice, calls are made within 48 hours of discharge. In 2019, NCCM expanded their reach by including texting capabilities for patients to set up appointments via text message. NCCM provides additional care coordination support across the enterprise through a nurse triage line, post navigation surveillance, class and event registration, and navigation support. The structure of NCCM provides HCA with a shared-service infrastructure around reporting and analytics, account management, and patient portal support.

HCA’s web-based application, My Health One, provides access to online scheduling and patient care information. We continue to develop additional capabilities on our applications. Additionally, HCA offers a concierge registration model, virtual registration in free-standing EDs, and other lower-acuity care settings, and enhanced and real time reporting for supervisors and managers using mobile alerting.

HCA would utilize the expertise of our Transfer Center teams to enhance internal and external care coordination at NHRMC. An affiliation with HCA would provide NHRMC’s clinical and administrative teams 24/7 access to a HCA’s Transfer Center staffed with critical care nurses. HCA’s Transfer Center’s expert clinical team has the ability to quickly identify where the needed quaternary services are provided. Once the appropriate facility is identified, the HCA Transfer Center will facilitate acceptance of the patient as well as arrange transport if needed. HCA has a nationwide network of Transfer Centers that have the ability to secure acceptance of patients in a timely manner to local, regional, or facilities anywhere in the nation, depending on where the needed services are provided.

Mission Health is particularly experienced and has integrated physicians, hospitals, and post-acute care providers across its region. Using the Pathways HUB model, its care coordination team provides outreach to our most vulnerable patients, identified through risk stratification, provider referrals, and discharge information. By utilizing a variety of innovative interviewing techniques and risk assessment tools, our team determines what barriers prevent patients from achieving optimum health outcomes. We do not graduate a patient out of the program until all barriers are addressed, whether that means connecting them to regular primary care, finding financial assistance for prescriptions, or simply navigating the complexities of their specific condition. We have developed deeply integrated relationships with highly effective local human service and non-profit organizations that allow us to address the underlying social issues that impact healthcare access and cost, including food insecurity, legal barriers, housing, and transportation. We have also developed outreach services to care for people in their home environment, including in rural communities.

2.3.1. Describe any current or planned initiatives by the Respondent that would improve patient care coordination in the communities it serves.
As mentioned above, HCA already offers a wide array of patient care coordination services which continue to evolve. Currently, there are several care navigation programs in existence at HCA but these programs are currently on various technology platforms. In the near future, HCA is implementing a technology platform that would allow integration across all navigation programs to ensure a seamless experience for the patient and to improve coordination efforts. Additionally, these programs will allow better utilization of resources to serve more patients and more disease states.

2.3.2. Describe any enhancements to patient care coordination that Respondent can introduce to NHRMC.

HCA would be able to complement NHRMC’s existing care coordination efforts. As described above, we have expertise in a number of service lines and we utilize several different methods to guide and navigate patients. We would collaborate with NHRMC leaders to develop a comparative analysis of our organizations’ offerings to determine which tools and resources would make sense for the NHRMC community. Finally, we would develop an action plan to implement new resources, services, and enhancements.

As described previously in our response to 2.3, HCA’s National Contact Center Management (“NCCM”) provides support to all of our local markets for care coordination efforts. The agents at the contact center call and introduce themselves to patients on behalf of local facilities. NCCM provides support for physician referrals for patients who are discharged out of Care Now, ER (including FSED’s), and inpatient facilities and calls are made within 48 hours of discharge as required to meet best practice standards. In 2019, NCCM expanded their reach by including texting capabilities for patients to set up appointments via text message. NCCM provides additional care coordination support across the enterprise through a nurse triage line, post navigation surveillance, class and event registration, and navigation support. The structure of NCCM provides HCA with a shared service infrastructure around reporting and analytics, account management, and patient portal support.

Also as described above, HCA’s Care Assure platform could also be introduced at NHRMC to enhance patient care coordination. Care Assure is a proprietary program that provides improved care coordination and delivery via dedicated Nurse Navigators and Patient Care Coordinators to ensure cardiac patients receive ongoing disease monitoring, diagnostic testing, and clinically indicated interventions upon discharge from the initial acute care episode in which they were identified. Each year, Care Assure is initiated to improve patient experience and loyalty through high-quality outreach and communication for over 200,000 patients across HCA Healthcare’s hospitals. Care Assure positively affects patients, physicians, and hospitals by ensuring patients receive the care they need, raising rates of evidence-based care, increasing quality-adjusted life years, speeding up time to treatment and boosting rates of attended appointments.

HCA would be able to enhance patient care coordination through introducing iMobile to NHRMC, which is an iPhone secure platform with an application called Mobile Heartbeat (“MHB”). MHB provides secure text messaging and phone calling, integration with the nurse call system, patient lists, care team lists, facility directories, and lab results. The platform has shown improvement in care coordination and delivery of care, such as bed placement,
fulfillment of orders, and coordinating care team activity. Physicians are also using MHB on their own devices to communicate to the care team. As one example, iMobile was able to reduce a 45-minute process to coordinate care in rehab to a 5-minute process.

2.3.3. Discuss how Respondent could help NHRMC establish or further develop partnerships with public and private social service organizations in the Service Area to drive value (e.g., Department of Health).

HCA would work with NHRMC to maintain an electronic database of available social services organizations. As social determinants of health are becoming recognized as a key contributing factor in patient satisfaction and readmission risk, HCA would support NHRMC in further developing the relationships that exist in the market.

For example, HCA is learning from a best practice at Mission Health who developed a web-based referral portal for social service agencies within its region. A clinical team could then “order” services such as home assessment or even food from the food bank for patients with those needs. Additionally, Mission Health developed a ranking system for skilled nursing facilities so that those with needs would be referred to those entities that had committed to quality and efficiency standards and had demonstrated high performance.

2.3.4. Discuss how the Respondent would help NHRMC establish or further develop partnerships with community providers to coordinate care (e.g., independent physicians, post-acute care providers, etc.).

Among other coordination efforts, HCA’s participation in Medicare’s Bundled Payment programs has made clear the importance of care coordination, particularly in the post-acute care continuum. We have developed a strategic approach to identify post-acute care providers that are collaborative, high quality, and cost-efficient. We contract with a network of post-acute care providers and agree to share patient information and quality performance data. We educate our patients about the importance of selecting a quality post-acute care provider. We would collaborate with NHRMC leadership in order to determine if this approach would be successful in Wilmington and the surrounding region.

3. Achieving Health Equity

3.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to maintain and enhance charity care and financial assistance in the communities it serves and to expand coverage for uninsured and underinsured individuals.

Our mission: Above all else, we are committed to the care and improvement of human life grounds us in our relentless pursuit to achieve health equity. At its core, the single most important attribute to being able to maintain and enhance charity care is a health system’s underlying performance. We believe that, together, HCA and NHRMC would make significant improvements in operating performance which in turn, would ensure that free and discounted care would continue to be available to the community.
Prior to the consummation of the affiliation, NHRMC would have the opportunity to choose between New Hanover Regional Medical Center’s existing charity care policy and HCA Healthcare’s policy, whichever provides more access to charity care. As detailed in 2.1.1, we believe the HCA Healthcare policy is in many cases more generous than most providers’ policies and would potentially be more favorable to patients of New Hanover Regional Medical Center. However, a detailed analysis would be completed to ensure the more patient-beneficial of the two policies is selected as the go-forward financial assistance policies.

3.1.1. Describe the Respondent’s philosophy and approach to charity care, financial assistance, debt collection and debt forgiveness policies. Provide examples of approach used in various communities.

For those who are uninsured or underinsured and experience emergent or non-elective services, HCA Healthcare offers a generous and robust financial assistance program comprised of three policies:

- **Charity**: This policy provides an opportunity for qualifying patients, who may have difficulty paying their hospital bills, to receive a full write-off of their liability for emergent services. Generally, these full write-offs are given to patients with annual incomes of less than 200% of Federal Poverty Guidelines (“FPG”). In 2017, HCA Healthcare expanded its charity program to provide relief for families who do not qualify for the full write-off. Patients with annual household incomes of up to 400% of FPG have their balances capped on a sliding scale, not to exceed 4% of their income. In practical terms, this means that a family of four with an income of $100,000 would have their balance capped at $4,000. These charity benefits are available to all patients irrespective of their insurance coverage.

- **Uninsured Discounts**: This offers most patients with no insurance or exhausted insurance an uninsured write-off for non-elective services. This discount is typically similar to a managed care contracted discount. Additionally, we allow patients to establish interest-free payment arrangements for up to 60 months. These payment plans can be as low as $25 per month.

- **Patient Liability Protection (“PLP”)**: Lastly, the PLP Policy extends the limit on patient liability for families above 400% of the FPG. This new policy adopted in 2019 generally applies after existing programs are processed (after charity or uninsured). The PLP caps patient liabilities at 10% of annual household income for those between 400%-600% of FPG, 12% for between 600%-800%, and those above 800% are capped at 15%.

Taken in combination, we believe these policies to be exceptionally generous and help protect our patients against unexpected and catastrophic medical bills.

HCA Healthcare provided more than $3.5 billion in uncompensated care in 2019 alone. These numbers do not include underpayments from Medicaid or Medicare. We were also the first large health system in the United States to provide uninsured patients who do not qualify...
for charity care a discount similar to that received by managed care organizations – a practice that is now common in the industry.

3.1.2. Explain the process of how Respondent would maintain or modify NHRMC’s charity care, financial assistance, debt collection practices and debt forgiveness policies.

Prior to the consummation of the affiliation, NHRMC would have the opportunity to choose between New Hanover Regional Medical Center’s existing charity care policy and HCA Healthcare’s policy, whichever provides more access to charity care. As detailed in 2.1.1, we believe the HCA Healthcare policy is in many cases more generous than most providers’ policies and would potentially be more favorable to patients of New Hanover Regional Medical Center. However, a detailed analysis would be completed to ensure the more patient-beneficial of the two policies is selected as the go-forward financial assistance policies.

3.1.3. Provide detail on how charity care, financial assistance, debt collection practices and debt forgiveness policies were impacted at hospitals and health systems that recently affiliated or partnered with the Respondent. Describe any changes to policies as well as any changes to the dollar amounts of care/assistance provided.

In all of HCA’s recent acquisitions, the HCA Healthcare financial assistance policies were determined to be more beneficial to the patients of the community offered through the charity, uninsured, and PLP policies compared to their prior experience.

3.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to maintain and enhance community outreach programs, including health education, free health screenings, wellness programs and other community health programs, as well as general engagement in a community as a contributing “corporate citizen” in the Service Area.

During the transition period, after a new organization officially becomes part of the HCA Healthcare family, we have a dedicated team of experts who work closely with the local leadership team to fully understand their current community engagement efforts and key partnerships. We jointly develop a plan that identifies opportunities to continue their best practice programs, while introducing new initiatives based on recognized national programs established by HCA Healthcare in other communities.

HCA Healthcare supports its employees’ involvement in the community through various programs such as charitable matching funds, nonprofit board training, school supply drives, all hands on deck coordinated community service days, holiday toy drives, special disaster relief initiatives, technology solutions for nonprofits, and recognition of community leaders. For example, recently we learned that our new colleagues at Mission Health shared our organizational commitment to support the March of Dimes. We quickly extended our employee-matching program for the funds raised in their local community walks. We funded a
total of $92,552 in matching funds for our Mission Health colleagues. This unplanned financial support nearly doubled the total amount raised by employees for their local chapters.

3.2.1. Specifically, discuss how Respondent works with local departments of health, public schools, indigent care clinics, federally qualified healthcare centers and other agencies and providers in addressing the health needs of communities. Detail any current or future population health initiatives done in conjunction with municipalities, counties or any other units of local government, or with other agencies or providers aimed at addressing health issues and improving access to necessary health services, including:

HCA believes it is necessary to partner with local agencies to support the overall health needs of these communities, and our hospitals are fully engaged with those agencies in coordinating care as appropriate.

For example, JFK Medical Center in Palm Beach, Florida, is working with the county health department to combat the Opioid overdose epidemic seen in that area. As such, a process has been set up for EMS to bring overdose patients to JFK where they are stabilized and then started on medication assisted treatment (“MAT”) for their opioid addiction. They are then connected with outpatient treatment facilities through the health department. We are studying this pilot to learn how such a model could be scaled across the company.

In addition to partnering with local government agencies, HCA creates healthier tomorrows for communities, families, and individuals through our partnerships with a variety of local and national nonprofit organizations that work in the broader healthcare field—including disaster preparedness and relief, behavioral/mental health and maternal and infant health. Our relationship with these organizations goes beyond charitable gifts; we support each other through collaboration on cutting-edge clinical research, information sharing and providing the highest quality care to our patients and communities.

HCA Healthcare has partnered with March of Dimes for nearly a decade in the fight against premature birth through our research on the implications of elective delivery prior to 39 weeks. This research supported a worldwide evidence-based practice change that improved health outcomes for babies. Efforts to help premature babies include the NICU (Newborn Intensive Care Unit) Family Support program, available in 60-plus hospitals where it reaches more than 50,000 families every year. This program helps support families during their baby’s time in the NICU and also educates NICU staff about the best ways to offer support. The local partnerships with March of Dimes led to the elevation of a partnership on a national level. In 2018, fundraising walks led as a national partnership raised more than $1 million.

In support of improving access to health services, and as explained in greater detail in question 3.1.1, HCA offers a generous Charity Care policy to ensure that healthcare needs of the community are met, regardless of a patient’s ability to pay.

3.2.1.1. Any approach to and previous success with impacting social determinants of health;
As noted above, HCA has experience working with and supporting local health departments in critical areas of social determinants of health. Further, in prior acquisitions of not-for-profit health systems, the proceeds have been used to create a not-for-profit Foundation specifically focused on addressing social determinates of health in the surrounding community, addressing the needs of those with barriers to accessing healthcare and a healthy lifestyle.

Since the inception of community foundations over the past 25 years, these organizations have created meaningful relationships with many local not-for-profits and have had a significant impact in addressing social determinants of health. Some examples of their contributions to the community include: the largest mobile dental program providing charity care in the nation, free vaccinations required for children entering school, millions of dollars in scholarship funding, air conditioning unit distribution to families in need, the development of transitional and low income housing, in home post-partum women and infant support, and disaster relief and rebuilding after hurricanes, in addition to millions of dollars in grants and donations to numerous other causes that are devoted to the care and improvement of human life.

3.2.1.2. Treatment and prevention strategies in addressing drug and alcohol addiction or abuse, including tackling the opioid epidemic; and

Communities across the United States, both rural and urban alike, are experiencing an epidemic of unprecedented magnitude. The opioid epidemic impacts the families, caregivers, children, and community both within and after they leave the walls of our hospitals. HCA believes that our facilities have a great responsibility to be a server of hope, and to have honest and open discussions around the impact of substance abuse and addiction. In addition to participation in national collaborative, HCA Healthcare is using the science of “big data” to drive evidence-based care, reduce opioid misuse and transform pain management, with initiatives in surgical, emergency, and other care settings.

HCA Healthcare has taken an active stance in addressing the catastrophic national public health crisis resulting from opioid usage. As an organization, we seek to reverse rates of opioid misuse and overdose. HCA is a member of the National Academy of Medicine’s “Action Collaborative on Countering the US Opioid Epidemic,” collaborating with government, communities, public health systems, payers, etc. to share knowledge and align initiatives. We are proud to have HCA Healthcare’s Chief Medical Officer, Jonathan Perlin, MD, as co-chair on the Collaborative, and believe we can improve outcomes for families and individuals within our communities affected by the opioid crisis. Additionally, HCA Healthcare donated $500,000 in 2018 to the Collaborative to initiate the fight against the opioid crisis.

In September and October of 2019, 100 HCA Healthcare facilities hosted Crush the Crisis opioid take-back events across 16 states. These events aim to educate our communities on the risk of opioid misuse, while providing a safe and anonymous way to dispose of medications that may be left over from previous procedures or other medical visits. The 2019 Crush the Crisis opioid take-back events collected 5,887 pounds of unused and expired prescription medications, estimated to be equivalent to just over 4 million doses.
To further combat the opioid crisis, HCA Healthcare employs new pain management guidelines called Alternatives to Opioids (“ALTO”) in our Emergency Rooms. These guidelines represent a multi-modal approach to acute pain management that hits various pain receptors as a first line treatment for common painful conditions. The goal of ALTO is to manage painful conditions for patients and return them to a maximum quality of life, while recognizing and reducing the inherent risks of administering and prescribing highly addictive medications like opioids.

Another population of patients at risk for opioid use disorder is our cohort of surgical patients. HCA’s OR leadership teams have implemented a program called Enhanced Surgical Recovery (“ESR”), which focuses on finding alternatives to narcotics for surgical recovery. ESR is an innovative surgical approach that uses evidence-based pre, intra, and post-operative interventions to optimize patient outcomes. Among these approaches, ESR features a multi-modal approach to better manage pain for the 1.5 million patients that have surgery annually in an HCA Healthcare facility. Additionally, to protect our patients and colleagues, HCA has put into place Medication Diversion Committees. These committees are chaired by facility CEOs and use AI technology to detect patterns concerning for diversion.

Upon our review, an estimated 70% of our current substance abuse patients were being discharged home rather than to an addiction recovery program. A Nashville-based HCA hospital created a formal structure of a multi-faceted executive team, bringing stakeholders together, both internal and external, to focus on this aspect of the patient’s continuum of care. This facility has also created a process that gives the patient and their families an opportunity to have that same face-to-face conversation that a patient would with a cardiologist or an orthopedic doctor in regards to their addiction. In partnership with community-based providers, this process is a physician driven consult that engages an addiction specialist at the bedside. Initial pilot data from the program resulted in a 92% acceptance rate and 78% have completed a treatment program. The program goes beyond giving patients a sheet of paper, expecting them to make phone calls to set up treatment for themselves. By partnering with a 3rd party expert, HCA based facilities are putting a clinical addiction specialist in front of them to get the patient on the right pathway for recovery.

If HCA Healthcare is chosen as the partner for New Hanover Regional Medical Center, we would expect to explore additional solutions to address the opioid crisis and substance abuse problems within the region.

### 3.2.1.3. Inpatient and outpatient behavioral health services.

Drawing on the depth of HCA’s experience in behavioral health, we would look to build upon the high quality program at NHRMC and create a further customized approach.

As noted above, HCA Healthcare is committed to providing high quality, comprehensive behavioral healthcare in the communities we serve. With services at 70 locations and over 3,000 acute care beds across more than 17 states, our Behavioral Health Services is one of the fastest growing service lines within HCA Healthcare and one of the nation’s largest acute care psychiatric providers. With the recent acquisition of Mission Health in North Carolina, HCA Healthcare committed to building a new 120-bed Behavioral Health facility in Asheville.
and continued collaboration with C3356, a behavioral health urgent care center developed in collaboration with Avaya (the local management entity), the city, and Mission Health. Along the coast in Myrtle Beach, we recently opened a 20-bed freestanding Behavioral Health unit, with plans for future expansion. Likewise, in Savannah, Memorial Health University Medical Center recently completed a renovation of their 26-bed inpatient behavioral unit.

In addition to the Behavioral Health facilities in Asheville, Myrtle Beach, and Savannah, HCA Healthcare has invested heavily in remote behavioral health services and telehealth. In fact, remote clinical staff and psychiatrists, through best-in-class technology, provide behavioral health assessments and psychiatric evaluations to treat patients in their emergency rooms. These patients receive the same attention and high-quality care as is received by those patients treated by onsite providers. In 2018, HCA Healthcare completed the development of a stand-alone telehealth physician practice providing services to HCA Healthcare facilities and outreach partners. This program will initially focus on tele-psychiatry and support HCA Healthcare and affiliate Emergency Rooms and HCA Healthcare Behavioral Health units.

Greater than 44 million adults in the United States experience a behavioral health crisis each year. One in eight of those adults will visit an emergency department for a mental health or substance abuse issue making our emergency rooms the last safety net for the treatment of mental health issues. With its strong presence in the Emergency Services provision of care, HCA serves as primary access point for persons in psychiatric crisis. Along with the utilization of remote psychiatry listed above, HCA has partnered with community behavioral health providers to improve access to community resources.

An example of partnership with community-based programs is the Mental Health Cooperative in the Nashville, Tennessee market, mobile crisis clinicians have been imbedded in local HCA emergency rooms with high volumes of patients presenting with behavioral health needs. Cooperative clinicians are onsite to assess the individualized needs of the patients and assist in disposition recommendations and placement. Preliminary results have shown 42-64% of patients receiving these services were diverted from inpatient care to more appropriate community resources. By providing stabilizing treatment for symptom reduction, timely assessments to identify placement needs and appropriate referrals within the continuity of care of community and state resources, patients are receiving more timely and appropriate treatment for their behavioral health conditions. Similarly, in Florida our hospitals have partnered with outpatient opiate detox providers to improve outcomes in patients who present to our ERs.

3.2.2. Is the Respondent committed to expanding NHRMC’s programs and financial outlays for community outreach and engagement?

HCA Healthcare has a long and rich tradition of caring for our communities through corporate gifts, foundation donations, and employee participation in locally focused giving campaigns and would expect to extend that tradition to NHRMC in support and to expand existing programs and financial outlays for community engagement. Each year, HCA Healthcare and our employees generously give their time and money to help friends, neighbors, and fellow employees in need. Caring for those in need is as much a part of HCA Healthcare’s culture.
as is caring for patients. HCA Healthcare is involved in numerous local charities and provides significant support for nonprofit organizations in its local communities.

In 2019, we made over $45 million in charitable contributions across the enterprise. In addition, through our workplace giving initiatives, HCA Healthcare colleagues gave $10.5 million to more than 3,800 organizations and contributed $4.8 million in matching funds. Employees also volunteered 107,000 hours to community organizations – a value of $2.7 million to our communities.

Beyond that, the fact that HCA pays state sales and local property taxes enables a stronger and more robust local government. Perhaps most important, if HCA were selected to be NHRMC’s partner, a large charitable foundation would be created, or the current foundation would receive significant additional funding for community benefit that could be used to expand outreach and support in ways that would otherwise be impossible.

3.2.3. Discuss any enhancements to NHRMC’s levels of community outreach and engagement in the Service Area (e.g., new programs; leveraging programs proven successful in other markets) that the Respondent could introduce.

While our organization addresses healthcare challenges at scale, proceeds from transactions executed by HCA Healthcare have also been used to create in excess of $7 billion in non-profit charitable foundations within the communities that have elected to partner with HCA Healthcare. Proceeds resulting from transactions with HCA Healthcare are used to create transformational not-for-profit Foundations that have a significant role in local community outreach and support.

Since the inception of these community foundations over the past 25 years, these organizations have created meaningful relationships with many local not-for-profits and have had a significant impact in addressing social determinants of health. Some examples of their contributions to the community include: the largest mobile dental program providing charity care in the nation, free vaccinations required for children entering school, millions of dollars in scholarship funding, air conditioning unit distribution to families in need, the development of transitional and low income housing, in home post-partum women and infant support, and disaster relief and rebuilding after hurricanes, in addition to millions of dollars in grants and donations to numerous other causes that are devoted to the care and improvement of human life.

In addition to caring for our communities, we also assist our employees each year during some of the most challenging circumstances of their lives through an employee relief fund, the HCA Healthcare Hope Fund. The Hope Fund is an employee-run, employee-supported public charity. The goal of the Hope Fund is to help HCA Healthcare colleagues and their immediate families who are affected by financial hardship. Hardships include without limitation experiencing disaster, extended illness/injury, domestic violence, death of a loved one, and other special situations. The Hope Fund has provided $57 million in assistance to over 35,000 HCA Healthcare families in need; during the recent storms and flooding in Florida and Houston, HCA employees donated over $650,000 within days following the natural disasters. HCA Healthcare then contributed $1 million in matching funds to the Hope
Fund. During Hurricane Florence, HCA Healthcare donated $500,000 to the Red Cross to support hurricane relief efforts. HCA Healthcare supports the efforts of the Hope Fund with matching funds that total more than $22 million since inception.

Our community engagement resources, and the Hope Fund, would be available to NHRMC on day one, in addition to NHRMC’s ongoing community engagement initiatives and priorities.

3.2.4. Discuss the process for how the Respondent would make changes to NHRMC community outreach and engagement programs. How would such decisions be made?

As noted above, during the transition period when a new organization officially becomes part of the HCA Healthcare family, we have a dedicated team of experts who work closely with the local leadership team to fully understand their historical community engagement efforts, strategic priorities, locally defined community needs, and key partnerships. We will then jointly develop a strategic plan that identifies opportunities to continue their best practice programs, while introducing new initiatives based on recognized national programs established by HCA Healthcare in other communities.

At Mission Health, senior members of the community engagement team worked closely with local leadership to assess their current philanthropic commitments and jointly implemented a plan to provide bridge funding for all high impact programs to ensure there would not be a disruption in services. Additionally, plans were established to transition operations for previously grant funded programs to local nonprofits, to remain compliant with their new tax status. The Dogwood Health Trust was formed with more than $1.5 billion in charitable assets that Dogwood has stated will be dedicated exclusively to improving the wellbeing of all people and communities in western North Carolina.

3.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to equip employees with the knowledge and training needed to support health equity (e.g., diversity training).

HCA’s culture to achieve excellence in healthcare is built on a foundation of inclusion, compassion, dignity and respect. We recognize and honor the diverse cultures and backgrounds of our patients, physicians, and employees across the 42 diverse markets that span Alaska to Florida. HCA Healthcare strives to provide culturally competent care to every patient we serve and foster a culture of inclusion that embraces and nurtures our patients, colleagues, partners, physicians, and communities. HCA would incorporate this important part of our culture in an affiliation with NHRMC in order to provide the same benefits these values bring to our patients and employees to NHRMC.

In collaboration with NHRMC, HCA would foster a culture of inclusion across all areas no matter a person’s race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, or veteran status. HCA Healthcare was founded on a vision of healthcare the way it should be: patient-centered, constantly evolving, and ever improving. We began with the belief that, to be exceptional, care must be delivered with integrity and compassion.
In line with our strategic efforts to ensure equitable care, HCA Healthcare is proud to actively support the national collaborative effort, Equity of Care. Equity of Care, a partnership between the American College of Healthcare Executives, American Hospital Association, Association of American Medical Colleges, Catholic Health Association of the United States, and America’s Essential Hospitals, is dedicated to bringing all patients the care they deserve. The coalition works to improve diversity data, to expand access, increase cultural competency training, and foster diverse leadership. We believe that by eliminating disparities in healthcare, we can improve experiences and outcomes for all our patients.

HCA recognizes that when patients and their families understand and participate in healthcare decisions, they have better outcomes and a better healthcare experience. That is why HCA Healthcare is committed to ensuring that every patient we serve is able to effectively communicate with caregivers and easily access care-related information. To deliver on this promise, HCA Healthcare partners with multiple vendors to offer essential language services for patients who may be limited English proficient (“LEP”), deaf or hard of hearing, blind or low vision, or have other communication barriers. Our goal is to always provide the highest quality patient-centered communication using interactive translation and interpretation tools, including qualified face-to-face, telephonic, and video remote interpreting.

HCA’s commitment to providing culturally competent healthcare to increasingly diverse populations is reflected in our governance structure. HCA has created a team of more than 500 Equity of Care coordinators, led by our Chief Diversity Officer, Sherri Neal. The Access to Services team is dedicated to strengthening efforts to ensure equitable care for everyone, including those who might be deaf or hard-of-hearing, blind or have low vision, have limited English proficiency, or have service animals. NHRMC and its employees would have access to this team, and resources from this team, in an affiliation with HCA.

The HCA Inclusion and Diversity department conducts mandatory in-person training to all managers at every level of the company from our organization’s headquarters to each individual hospital. Each Director of Leadership Development is responsible to implement this training across their markets. Inclusion and Diversity training is a priority that came directly from HCA’s CEO, Sam Hazen. Additionally, HCA has had in place mandatory annual Ethics and Compliance training for every person in the company. This training includes fair treatment of all patients, sexual harassment, communicating with patients and families, communication with colleagues, and diversity and inclusion. All training programs would be available and required for NHRMC if partnered with HCA.

4. Engaging Staff

4.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s capabilities in building and maintaining a high-performing employee team, specifically those programs related to (i) employee recruitment (including addressing critical shortage areas such as nursing), (ii) retention (e.g., engagement programs; structuring incentive compensation and
employee benefits), (iii) career development (management and clinician training), (iv) health and wellness programs and (v) leadership training.

Like NHRMC, HCA Healthcare believes that an effective and compassionate workforce is a key success factor in delivering care. One of HCA’s core values is that we trust our colleagues as valuable members of our healthcare team and pledge to treat one another with loyalty, respect, and dignity. We understand that NHRMC is committed to cultivating a diverse and extraordinary workforce dedicated to our mission. With this alignment that focuses on employees, HCA and NHRMC will work well together with regard to building and maintaining a high-performing employee team. HCA would seek to support and enhance NHRMC’s already comprehensive human resources efforts. At HCA, we believe our success depends on creating a culture where caregivers, staff, administrators, physicians, and volunteers are at the core of a patients-first philosophy. Our Healthy Work Environment initiative includes guiding principles designed to articulate our commitment to employees and features messages supporting programs and policies across five areas of focus: Culture, Leadership, Voice, Compensations/Rewards, and Staffing.

HCA’s commitment to employee retention and recruitment is supported by a robust HR organizational structure that includes Centers of Excellence for talent attraction, engagement, and incentives and compensation. Each Center of Excellence has highly focused and trained staff. Recruiting administrative staff is centralized and does all of the sourcing and screening before handing off candidates to local recruiters. Employee onboarding is managed centrally and can be completed online, facilitating an efficient process for new hires.

Employee Engagement surveys are conducted two times per year in most HCA markets, but there are ongoing pilots in select markets that are conducting surveys every 3 to 4 months in order to more efficiently respond to the needs of our employees. Retention is a consistent focus area for HCA. As such, our employee incentive plans have targets for turnover included on performance criteria. Additionally, career development programs (listed below) have been put into place to increase retention.

One of HCA’s strategic guiding principles is the Development of Future Leaders. HCA has long recognized the critical healthcare workforce shortage in physicians, nurses, techs, and executives. There is no one single answer to workforce development and as such, HCA has a varied approach with different programs and curriculums tailored to meet the different roles, responsibilities, and learning systems of a diverse workforce.

HCA has several nationally recognized career development programs that are available to employees across the enterprise. Included among the development programs are:

- **Director Development Program**: Accepting 40 employees per year to accelerate their skills in order to advance into an ED Director, Surgical Services Director, or ICU Director role after 1 year of special training.

- **Executive Development Programs for COO, CFO, and CNOs**

- **COO Training programs** to develop and prepare facility COO’s for a CEO role
• Executive Residency Program (“ERP”): is a one-year resident program for recent graduates from prestigious Masters Programs in Healthcare Administration (“MHA”) and Business Administration (“MBA”). ERP creates an entry and pathway for future leaders to begin their careers as HCA healthcare executives. Program goals include expanding HCA’s leadership pipeline and capability, generating opportunities for participant connections to HCA executives, leaders, peers, and other business or community leaders, and preparing and equipping participants for future leadership roles in our hospitals, service lines of business, and corporate functions.

• HCA Healthcare offers a Specialty Training Apprenticeship for Registered Nurses (“StaRN”) during its Nurse Residency Program, which provides new graduates the opportunity to obtain acute care nursing experience through an intensive 10-17 week paid internship. Participants receive classroom and skills training, simulation training, clinical preceptorship and professional development that enables them to move directly into specialty areas.

• In 2018, more than 2,600 registered nurses obtained national certification in a specialty area through the HCA Healthcare voucher program.

• HCA Healthcare’s Centers for Clinical Advancement across the United States provide nurses with state-of-the-art training and the ability to develop their craft using high-tech, lifelike simulation equipment to replicate real-life situations.

In order to address critical shortages in nursing, HCA has recognized the critical role our Patient Care Technicians (“PCT”) play. In support of our mission, HCA has implemented a Care Model integrating PCT’s. This model maximizes the skills and contributions of each member of the care team, resulting in improved care for our patients. To encourage retention of PCT’s, HCA has created a career development program for PCT’s which includes leadership training, title, and pay advancements.

4.1.1. Discuss how Respondent would enhance NHRMC’s efforts relative to employee recruitment, retention, career development and leadership training.

HCA’s Human Resource infrastructure would complement NHRMC’s employee relations efforts relative to recruitment, retention, career development, and leadership training. We would make our organization’s tools, resources, and expertise available to NHRMC and could provide additional support with centralized recruiting, professional society relationships, and web-based recruiting strategies.

HCA would strengthen NHRMC’s efforts around employee recruitment, retention, career development, and leadership training by incorporating NHRMC into our Healthy Work Environment initiative across all five areas of focus: Culture, Leadership, Voice, Compensations/Rewards, and Staffing. As a partner, HCA would remain committed to the recruitment, retention, and development of all employees.

HCA maintains local directors of compensation whose roles are to constantly assess our compensation approach in relation to the local market. As a national entity, HCA has
standardized job titles with salary ranges appropriate for each position. However, compensation is determined based on local market conditions using local survey data. The survey system used to generate market compensation is a sophisticated tool that is reviewed regularly by our Directors of Compensation. Once the average salary and salary midpoint shift, so do the minimum and maximum salaries in each range. Further, HCA compensation includes premium pay and differentials when appropriate.

HCA has robust programs for retention and engagement that NHRMC will have access to through an affiliation. For example, we recently revamped our engagement survey process which has been profoundly impactful on employee engagement and retention. This survey is conducted every 3 to 4 months (rather than annually or bi-annually) and provides a more real time pulse of employee satisfaction, which allows HCA to more quickly create action plans to meet employee needs. Managers are provided results within 2 weeks after the survey is completed, and results include user friendly access to employee comments and a total engagement index score. The total engagement score provides the basis for a majority of our action plans which encompass quality, patient engagement, HR, and turnover. Additionally, a subset of the survey questions ensure that each employee has the resources needed to do their job, such as staffing, supplies, and technology. These results have driven regular rounding from departments such as supply chain, IT, HR, and executive leadership to ensure that employee pain points are addressed. HCA utilizes a technology platform to track all issue resolution that comes out of the survey, which guarantees accountability in addressing employee issues.

Employee retention is a key component of providing high quality healthcare. We have found that the most important factors among our employees are scheduling (work/life balance), manager relationships, and career development. As such, we have created programs to meet these priorities. For instance, we have implemented self-scheduling systems for our nursing staff and offer several programs to train our managers and leaders. We know that our employees value opportunities for growth and development, and offer several nationally recognized career development programs that are available to employees across the enterprise. These career development programs are explained in further detail in question 4.1, and would be available to NHRMC through an affiliation with HCA.

In March 2019, HCA Healthcare announced their agreement to acquire Galen College of Nursing, one of the largest nursing educators in the country. This strategic partnership will bring together two of the top nursing organizations in the nation in order to increase access to nursing education and provide career development opportunities in nursing to improve patient care. Galen’s nursing degree programs will offer additional career development opportunities for HCA Healthcare nurses. It also will provide opportunities for Galen to establish nursing programs at HCA Healthcare affiliates across the country, providing more clinical education and career opportunities for Galen students.

4.1.2. Discuss any community and educational institution engagement or training programs supported or maintained by the Respondent, including partnerships or other collaborations with others that could assist NHRMC’s recruiting for healthcare-related jobs.
HCA has vast experience in partnerships with educational institutions, which NHRMC could utilize for recruitment purposes. At each of our 184 hospitals, HCA has a local clinical affiliation agreement for clinical rotations for nurse, physician assistant, and nurse practitioner training with educational institutions in the region. These partnerships have been invaluable for enabling our facilities to perform at their highest potential.

In 2017, HCA announced its partnership with Meharry Medical College to allow college students to train at HCA’s TriStar Southern Hills. Meharry, one of the nation’s largest historically black medical schools, had previously trained 460 medical students at Nashville General Hospital and 20 other hospitals spread out over several states. In fall of 2019, HCA included clinical rounds from Meharry Medical Students into their GME program.

In 2018, more than 2,600 registered nurses obtained national certification in a specialty area through the HCA Healthcare voucher program.

In March 2019, HCA Healthcare announced their agreement to acquire Galen College of Nursing, one of the largest nursing educators in the country. This strategic partnership will bring together two of the top nursing organizations in the nation in order to increase access to nursing education and provide career development opportunities in nursing to improve patient care. Galen’s nursing degree programs will offer additional career development opportunities for HCA Healthcare nurses. It also will provide opportunities for Galen to establish nursing programs at HCA Healthcare affiliates across the country, providing more clinical education and career opportunities for Galen students.

In Fall 2019, HCA created a $1 million scholarship program with internships for high-achieving students from Fisk University. The program, HCA Healthcare Scholars at Fisk University, includes guest lectures from HCA to prepare students who would consider a healthcare career. This partnership will provide invaluable experience for Fisk students and will develop the potential for future healthcare professionals joining the HCA family.

HCA has also partnered with Florida A&M to create an Administrative Resident program. In this program, HCA hires 40 Administrative Residents who work for HCA for 1-2 years who are then able to apply for our Executive Development Program. The Administrative Resident program provides an opportunity for students who are interested in healthcare careers to learn from HCA, as well as provides an avenue for recruitment of future healthcare leaders.

In support of our commitment to the care and improvement of human life, HCA proudly encourages the professional growth of our colleagues who wish to improve their knowledge, skills, and potential for advancement through continued education. HCA Healthcare’s Tuition Reimbursement policy offers full-time and part-time employees up to $5,250 per year for higher education courses and expenses plus free access to education advisors and discounts at select accredited schools. Additionally, HCA offers a Student Loan Assistance Program that pays $150 per month for full time employees toward their student loans. In total, HCA Healthcare provided employees with a collective $31.8 million in tuition reimbursement, cementing a commitment to supporting their employees’ education both inside and outside the workplace.
4.1.3. **Discuss how Respondent would support or improve current staffing models at NHRMC.**

HCA Healthcare believes that supporting our patients with trained care teams is essential to delivering on our mission. We design staffing models to meet the individual needs of our patients and to provide the appropriate level of care required. We would work in concert with NHRMC’s clinical leadership team to develop plans and approaches that meet the needs of local patients.

As part of this focus, HCA Healthcare believes that care teams should be designed in a way that allows all roles to perform to the top of their licensure. Nurses are often the backbone of our care teams, and HCA recognizes the value and role that support staff plays in improving our current staffing models. HCA will complement current staffing models with an increased focus on Patient Care Techs (“PCTs”), through turnover initiatives, standardized titles, and career ladders for advancement. By implementing Star Tech (similar to StarRN) we would support current staffing by providing support staff, which would enable nurses to practice at appropriate levels.

4.1.4. **Discuss how Respondent would support or improve current health and wellness programs for NHRMC staff, including NHRMC’s fitness center.**

Our commitment to wellness is fundamental to our mission of improving human life, not only to our patients, but equally to our employees and their families. We offer programs that provide opportunities for employees to make healthy changes such as exercise challenges, workout facilities, weight loss, and smoking cessation programs. In addition, we offer free annual health screenings with financial rewards for participation. Our wellness programs are built into our benefits program.

HCA Healthcare would also commit to maintaining NHRMC’s fitness center and has experience supporting such offerings at other locations.

4.1.5. **Provide detail on how employee recruitment, retention, leadership training and career development was impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent.**

All HCA workforce development programs were offered as additional programs available to facilities that were recently affiliated or partnered with HCA. These programs, several of which have already been described, are robust and consistently administered. Additionally, recruitment efforts, resources, and staff are extended to new health systems within HCA.

Memorial Health in Savannah saw significant declines in turnover (all skill mix and RN) after affiliation with HCA. In particular, RN turnover was reduced from 26% to 15%, as shown below. Additionally, after a market compensation study, Memorial Health made significant changes to nurse wages to be more competitive which increased nurse satisfaction.

### All Skill Mix Turnover, Memorial Health, Savannah, GA:
The Executive Development Program detailed in section 4.1 has been implemented at both Memorial Savannah and Mission Health. Currently, there is an Associate Chief Nursing Operator in the development program at Savannah and there are 2 Associate Chief Financial Officers in place at Mission Health.

4.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on the retention of existing NHRMC employees.

Healthcare systems are looking to HCA to respond to the challenges facing the industry. For example, due to the size and breadth of HCA, we are pioneering the approach to treating and managing COVID-19, commonly known as the novel coronavirus. Because of our ability to address these macro challenges, HCA employees are provided greater stability and security compared to employees of other health systems.

In particular, HCA Healthcare understands the challenges of managing significant change resulting from a transaction. We have experience integrating large systems and are cognizant and respectful of the challenges employees face during a transition. Our employee-focused programs, referenced in 4.1 and 4.1.1, such as the engagement survey, enterprise-wide development programs, leadership training certification support, self-scheduling, and tuition reimbursement are all designed to positively impact employee retention. These programs would be offered to NHRMC with the goal increasing employee engagement and retention.
4.2.1. Will the Respondent make a commitment not to make any material changes to NHRMC’s employee base and staffing commitments without the approval of the NHRMC Board?

As part of the Proposed Transaction, HCA Healthcare would offer employment to substantially all NHRMC employees (who are in good standing as of closing of the Proposed Transaction) at current salary levels and with similar job titles and responsibilities, subject to HCA policies and procedures except for senior management. Any offers of employment to senior management personnel would be consistent with the usual and customary practices of HCA and would be subject to additional discussion with each member of the senior management team.

4.2.2. How would Respondent plan to minimize the potential for employee disruption and turnover in any transition resulting from the Proposed Strategic Partnership?

Any strategic partnership that NHRMC pursues will be disruptive, to some degree, for employees, including the evaluation of potential partners under this RFP. Of course we acknowledge that this is a pivotal time for the community and we will work tirelessly to minimize disruption for employees and address employee concerns. Further, HCA provides resources within the local market to support consistency for employees during the transition.

HCA has experience with transitions resulting from health system acquisitions, with over 20 in the last 10 years. We continue to refine our best practices for how to manage transitions based on what we have learned from our previous transactions. During the diligence process, we will identify where there may be potential gaps and opportunities and create a strategic plan to address.

4.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on the compensation and benefits, including current pension plan, currently provided to NHRMC employees.

The compensation associated with employees is addressed in our response to 4.2.1. HCA will provide employees with a comprehensive benefits package. During the due diligence phase, we would work to understand any differences between HCA’s benefits and those currently offered by NHRMC. HCA would honor employee tenure when applying HCA benefit plans to employees. We offer an attractive 401(k) program with matching contributions to eligible employees. For healthcare benefits, HCA strategically selects health plan networks that best fit the local employees and their families.

HCA would not assume any pension plan in connection with the Proposed Transaction. The assets and liabilities associated with any pension plan would be retained by the Sellers.

4.3.1. Describe the Respondent’s plans related to maintaining or enhancing current salaries and discuss how Respondent’s employee compensation is set and how it would impact compensation for NHRMC staff.
HCA maintains local Directors of Compensation whose roles are to constantly assess our compensation practices relative to the local market. As a national organization, HCA has standardized job titles with salary ranges appropriate for each position; however, compensation is determined based on local market conditions using local survey data. The survey system used to generate market pay is sophisticated and is reviewed regularly by the Directors of Compensation. Once the average salary and salary midpoint shift, so do the minimum and maximum salaries in each range. Further, HCA compensation includes premium pay and differentials when appropriate.

HCA utilizes its size and human capital on a national scale to effectively meet business needs. 84% of hospital executive leadership positions are filled through promotions and transfers of internal talent. Our talent acquisition and development strategy includes formal executive development programs (“EDPs”) where candidates are sourced both internally and through some of the nation’s top MBA/MHA programs. Participants are prepared for executive leadership roles through a structured learning curriculum and experiential role-based assignments.

- 58% of HCA’s current COOs are graduates of the Executive Development Program
- 30% of HCA’s current CNOs are graduates of the Executive Development Program

Our national pipeline development strategy has been broadened to include other key leadership roles such as those related to ED and Surgical Services to address talent challenges/opportunities. Additionally, local market programs include the development of other key emerging leaders in both nursing and allied services.

Our leadership development curriculum includes competency-based learning delivered through formal classroom and online training. An online educational platform is used to deliver and track web-based training across the enterprise. As part of our Healthy Work Environment strategy, all leaders must attend a minimum of eight hours of leadership development training each year.

While the majority of top-level leadership positions are filled through internal talent, external talent acquisition strategies are also employed. A national executive recruitment team manages and cultivates external candidate relationships to build candidate pipelines for executive level roles. A regional recruitment team supports sourcing and recruitment of non-executive level talent.

4.3.2. Discuss how Respondent’s benefits, including pension plan and other retirement benefits, compare to those offered by NHRMC, particularly with regard to contribution rates and how those might be impacted under the Proposed Strategic Partnership.

HCA Healthcare would evaluate the current benefits, including retirement plans, to create an equitable package for NHRMC employees comparable to other similarly situated HCA Healthcare employees in the region. HCA works to offer all employees a competitive benefits
package that includes health benefits, retirement savings, education assistance, time away from work and much more.

HCA’s expansive benefits plan offers the following:

- Health benefits (Medical plans, prescriptions, dental, vision, employee assistance program, wellness)
  - Including free generic prescriptions and preventive care and access to common services for just a copay, even if a deductible has not been met.
- Financial (Education, flexible spending account, day care spending account, adoption assistance)
- CorePlus benefits (legal, short-term disability, long-term care, insurance)
- Retirement (401(k) plan)
- Life and disability benefits
- Employee stock purchase plan
- Paid time off, paid family leave, disability coverage, and leaves of absence

HCA Healthcare medical plans exceed government standards for Gold and Platinum plans, as defined by the Affordable Care Act. According to the National Business Group on Health, the employee paid portion of HCA Healthcare medical costs is less than the national trend. Health and dental benefits are based on claims data for the local area.

As part of HCA’s 401(k) Plan, employees receive a 100% match on their contributions (from 3% to 9% of pay, based on years of service), which is one of the most generous policies provided by any healthcare organization or large employer. HCA will preserve tenure for employees, which means NHRMC employees would be eligible for the 401(k) contribution percentage based on their prior tenure at NHRMC.

4.3.3. Please describe the Respondent’s plans related to addressing accrued benefits for length of service and pension plan matters for the employees of NHRMC.

HCA will honor NHRMC employee tenure as part of the Proposed Transaction. We offer an attractive 401(k) program to eligible employees as described above. With respect to service credit, HCA is prepared to make the following commitments:

- Day-one benefit participation for employees,
- Recognition of tenure with NHRMC for all service-based benefits (accrual rates and vesting service) and
- No pre-existing condition rule under HCA medical or short-term disability plan options.
4.3.4. Discuss what type of retirement (pension or 403b/401(k)) package Respondent offers and how the Proposed Strategic Partnership would impact retirement plans for NHRMC staff and retirees.

HCA will offer our 401(k) plan to all eligible employees, but we do not have a defined-benefit pension plan. As part of HCA’s 401(k) Plan, employees receive a 100% match on their contributions (from 3% to 9% of pay, based on years of service), which is one of the most generous policies provided by any healthcare organization or large employer. HCA will honor tenure for NHRMC employees, which means NHRMC employees would be eligible for the 401(k) contribution percentage based on their prior tenure at NHRMC.

4.4. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on employment (adding or detracting) in the communities in which NHRMC operates.

We believe there is an opportunity to expand services to continue New Hanover Regional Medical Center’s strong legacy of being the regional provider of choice for high quality healthcare within southeastern North Carolina. By expanding services, there will be more opportunity for additional employment of caregivers at the bedside. The creation or enhanced funding of the existing local Foundation will provide new opportunities to support local health initiatives which will create local employment to support their important efforts.

HCA has a strong initiative around minimum wage and our policy is to pay the higher of the HCA minimum wage or the state minimum wage. Additionally, HCA offers an Employee Health Assistance Fund which includes a computation for free medical services (for employees earning up to three times the poverty rate).

4.4.1. Would the Respondent make a commitment to base certain corporate services for its entire system in the Service Area?

As an organization with 184 hospitals and 2,000 sites of care across 21 states and the United Kingdom, HCA’s general approach to management is through our shared services platform.

For certain corporate services, HCA works to match existing employees’ skills and experience with open positions within the company and enables them to work from the convenience of their home. As an example, we expect 70% of our back-office functions, including billing, collections, analysts, payment compliance, etc., to be able to work from home positions similar to those that would be made available to employees based within NHRMC’s service area.

4.4.2. Provide detail on how local employment was impacted at hospitals and health systems that have affiliated or partnered with the Respondent.

HCA has positively impacted the economy and local employment in communities where we have recently affiliated with hospitals. For example, following the recent acquisition of Memorial Health in Savannah, Georgia (which has been part of the HCA family for two years as of February 2020), Memorial paid $22 million in taxes to benefit local schools, public
safety departments and communities. Additionally, Memorial contributed more than $550,000 to charitable organizations in the Savannah communities. In 2019, Mission Health paid approximately $18.5 million in sales and property taxes.

Since NHRMC is currently a not-for-profit entity, the community would see an added benefit to the local economy through taxes to be paid by the health system after its conversion to a for-profit, taxable entity. Our updated, high-level estimate, based on currently available information, is that NHRMC would incur property and sales taxes amounting to approximately $19 million annually. Additionally, and with proceeds from the Proposed Transaction, the County may choose to form a new or strengthen the existing Foundation whose mission is to serve the best interest of the broader Wilmington community with the very considerable funds that would be generated from a transaction.

4.5. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on furthering and preserving the mission, vision, values and culture of NHRMC.

As two organizations committed to improving the health of our patients, HCA Healthcare and NHRMC are aligned with respect to organizational mission, vision, and values. HCA will strengthen and support the mission of NHRMC through our commitment to deliver healthcare as it should be: patient-centered and for the good of all people, no matter their circumstance. Exceptional healthcare is built on a foundation of inclusion, compassion and respect – for our patients and for each other. We will foster a culture of inclusion across all areas no matter a person’s race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity or veteran status.

Ultimately, HCA Healthcare is an industry leader because we have excellent caregivers who bring vast clinical experience to serve patients. Nothing matters more to our diverse and talented colleagues than giving people the absolute best healthcare possible. Every day, we seek to raise the bar higher, not just for ourselves, but for healthcare everywhere. In order to empower our local communities and providers, HCA Healthcare supports the development of unique missions within our local markets and facilities and will fortify NHRMC’s unique mission that aligns so well with our own: “Above all else, we are committed to the care and improvement of human life”. HCA would be excited to further our mission, in concert with NHRMC’s, by working together to improve the health of the broader Wilmington community.

4.5.1. Discuss similarities that the Respondent sees between the Respondent’s organization and NHRMC’s mission, vision, values and culture.

HCA Healthcare’s founders envisioned an organization that would deliver healthcare differently: one that would revolutionize the healthcare landscape by applying business principles of scale to hospitals, without ever losing sight of the patient’s needs. Today, more than 50 years later, that original vision permeates all aspects of our organizational model.

HCA Healthcare is a collaborative healthcare network, driven by physicians and colleagues helping each other champion the practice of medicine for a healthier world. For the benefit of
each patient who walks through our doors, our network extends a knowledge pipeline into every one of our facilities, creating one of the country’s most connected medical environments. We never stop in our pursuit of insights and care advances based on medical data from approximately 30 million patient encounters a year. In recent years, our proprietary research and trials have enhanced our clinical capabilities to drive down incidences of bloodstream infections (including MRSA), maternal mortality, infant mortality, and NICU admission, just to name a few.

HCA’s belief in collaboration and innovation in order to improve the health of our communities is in direct alignment with the new vision statements released by NHRMC in February 2020. Both NHRMC and HCA believe the key to providing outstanding clinical care to our communities is to empower a collaborative environment among care team members that is inclusive, respectful, and treats our patients with dignity. Outstanding health begins with our local communities and our clinical experts who work tirelessly to improve human life. At HCA Healthcare, size is not an end, but a means. What’s more important is how we harness our knowledge and resources in pursuit of our mission: Above all else, we are committed to the care and improvement of human life.

Both of our organizations are built on a strong foundation of similar ideas and concepts which our reflected in our respective Missions and Visions/Values.

<table>
<thead>
<tr>
<th>HCA Healthcare</th>
<th>New Hanover Regional Medical Center</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mission:</strong>  Above all else, we are committed to the care and improvement of human life.</td>
<td><strong>Mission:</strong> Leading our Community to Outstanding Health</td>
</tr>
<tr>
<td><strong>Value Statements:</strong> Exceptional healthcare is built on a foundation of inclusion, compassion and respect – for our patients and for each other.</td>
<td><strong>Vision:</strong> 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.</td>
</tr>
<tr>
<td>• We recognize and affirm the unique and intrinsic worth of each individual.</td>
<td>• Fostering a culture of transformation through empowerment, innovation, and inclusivity</td>
</tr>
<tr>
<td>• We treat all those we serve with compassion and kindness.</td>
<td>• Delivering exceptional, affordable, and personalized experiences throughout the wellness continuum</td>
</tr>
<tr>
<td>• We trust our colleagues as valuable members of our healthcare team and pledge to treat one another with loyalty, respect and dignity.</td>
<td>• Advancing health and vitality for all through a community integrated model of collaboration</td>
</tr>
<tr>
<td>• We act with absolute honesty, integrity and fairness in the way we conduct our business and the way we live our lives.</td>
<td>• Cultivating a diverse and extraordinary workforce dedicated to our mission</td>
</tr>
</tbody>
</table>
4.5.2. Provide detail on how organizational mission, vision, values and culture were preserved at hospitals and health systems that have recently affiliated or partnered with the Respondent.

HCA preserves and enriches not only the mission, vision, values, and culture of newly affiliated organizations, but also their name, as NHRMC and other hospitals and health systems, as well as their communities, have grown to cherish. A name represents much more than a brand – it is an identity tied to a facility’s unique history and culture – an identity that HCA strives to enhance through a collaborative partnership.

HCA has its own mission, vision, and values, but we also support development and adoption of individual missions and values for all of our hospitals and markets if desired. That said, local hospitals may also choose to adopt the HCA mission. As of February 2020, Memorial Health in Savannah, GA completed its second year as part of HCA. Immediately post-acquisition, Memorial Health adopted HCA’s mission “Above all else, we are committed to the care and improvement of human life”.

4.5.3. Discuss impact, if any, Respondent’s Proposed Strategic Partnership and Respondent’s tax status (exempt or taxable) would have on furthering and preserving NHRMC’s charitable mission and the County’s commitment to public interest.

In addition to enhancing the delivery of charity and uncompensated care, an added benefit to the local economy would be the taxes paid by the health system to local and state governments after its conversion to a for-profit, taxable entity. Our updated, high-level estimate, based on currently available information, is that NHRMC would incur property and sales taxes in the amount of approximately $19 million annually. Additionally, and with proceeds from the Proposed Transaction, Sellers may choose to form a new or strengthen the existing Foundation whose mission is to serve the best interest of the broader Wilmington community.

4.6. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s commitment to being an inclusive organization, supporting anti-discrimination efforts and building and maintaining a diverse workforce.

We value and actively promote diversity in the workforce at all levels of the organization and are committed to fostering an inclusive environment where all colleagues can thrive. We recognize, embrace, and celebrate our differences and value the unique backgrounds and perspectives that each of our more than 270,000 colleagues brings to HCA Healthcare. With a renewed focus on advancing our commitment to diversity and inclusion, we have launched a comprehensive strategic plan for our diversity and inclusion program which includes five key pillars that reflect the unique needs of our organization: patients, colleagues, suppliers, governance (Boards), and community partnerships & sustainability. To align with this approach, an Executive Diversity Council was formed to ensure accountability, oversee the strategic direction of programs within these pillars, and ensure visible sponsorship. HCA Healthcare’s CEO, Sam Hazen, serves as the Executive Sponsor for the Council.
Ultimately, our commitment to diversity and inclusion strengthens our ability to hire strong candidates and develop top talent, allows us to better serve the diverse individuals our clinicians care for every day, and aligns our actions with our values as an organization.

4.6.1. Is the Respondent committed to continuing NHRMC’s inclusion, anti-discrimination and diversity programs?

Through the oversight of our Executive Diversity Council, and our established Diversity and Inclusion department, HCA Healthcare will be strongly committed to advancing NHRMC’s inclusion, anti-discrimination, and diversity programs.

4.6.2. Describe any enhancements to NHRMC’s inclusion, anti-discrimination and diversity programs that could be introduced by the Respondent based on its experience in running similar programs for its affiliated or partnered hospitals and health systems.

HCA Healthcare offers robust training, education, and resources to support our commitment to diversity and inclusion. We have a network of Equity Compliance Coordinators (“ECCs”) at each of our facilities who support our equity of care program and ensure access to services for patients who have limited English proficiency, are deaf or hard of hearing, are blind or have low vision, or have service animals. We recently introduced a live conscious inclusion training experience for directors and above, which will equip our leaders to recognize and mitigate unconscious bias and intentionally foster a sense of belonging for colleagues.

Additionally, all colleagues across HCA Healthcare complete Code of Conduct training on an annual basis, which reinforces our commitment to honor our mission and values. Plans are currently underway to introduce new workplace programs aimed at fostering an inclusive culture, including employee resource groups and a formal mentorship program for diverse talent, as well as to expand existing offerings such as our award-winning BRAVE Conversations program.

4.7. Discuss how the Proposed Strategic Partnership would impact access to student loan forgiveness programs for any or all NHRMC employees and describe any impact Respondent’s Proposed Strategic Partnership could or would have on the ability of certain NHRMC employees to achieve student loan forgiveness by virtue of their work for NHRMC as a nonprofit organization.

In support of HCA Healthcare’s commitment to the care and improvement of human life, we proudly encourage the professional growth of our colleagues who wish to improve their knowledge, skills and potential for advancement through continued education. As a for-profit entity, HCA cannot participate in the federal program for student loan forgiveness therefore employees would become ineligible.

Alternatively, HCA has programs that are self-funded to support tuition reimbursement for employees. HCA Healthcare Tuition Reimbursement policy offers full-time and part-time employees up to $5,250 per year for higher education courses and expenses plus free access to education advisors and discounts at select accredited schools. Additionally, HCA
Response to New Hanover Regional Medical Center RFP

offers a Student Loan Assistance Program that pays $150 per month for full time employees toward their student loans. HCA also offers Financial Wellness coaching to any employee who may be interested in learning more about how to repay or refinance loans, make the most of HCA contributions, and avoid or rehabilitate a default. These programs would be available to NHRMC staff in an affiliation with HCA.

5. Partnering with Providers

5.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s capabilities in recruiting providers into the Service Area.

HCA Healthcare’s Physician Services Group (“PSG”) has a team of 134 individuals dedicated to identifying and recruiting new providers (physicians and advanced practitioners) to HCA Healthcare hospitals by utilizing the alignment models mentioned above. While the program is centralized to ensure greater outreach to training programs, each region has a team focused on meeting the needs of the local market. In 2019 alone, HCA Healthcare’s recruitment team led 130 resident events and recruited over 1,900 new physicians and providers across the company. The tables below demonstrate HCA’s commitment and investment in Physician recruitment.
5.1.1. Specifically, discuss how the Respondent would work with NHRMC’s existing provider recruitment staff.

The existing provider recruitment staff would be supported by our PSG Strategic Sourcing team. The team would provide candidates to NHRMC’s provider recruitment staff and our Training Program Outreach team would support resident and fellow outreach efforts. Additionally, NHRMC would benefit from a vast number of residents that are training within HCA-based GME programs. Through a series of planned resident seminars, we are able to introduce residents and fellows to our opportunities nationwide. These events take place in North Carolina, South Carolina, Georgia, the Northeast, the Midwest, and across the country.

5.1.2. What enhancements and improvements to physician recruiting would Respondent commit to making for NHRMC?

We have worked extensively to enhance our physician recruitment platform. NHRMC would receive candidate leads from our attendance at over 30 scientific meetings. NHRMC’s existing staff would be invited to join us for appropriate career fairs and team training events. Additionally, NHRMC would also be able to participate in HCA’s resident stipend program. Stipend recipients receive needed funds while they are finishing residency or fellowship. In order to participate, they must serve on active medical staff for 2 years post training. HCA has had over 1,200 participants since the program began in 2005 and we currently have 119 stipend recipients in the pipeline. NHRMC would receive the benefit of our subscriptions and tools such as SalesForce, PracticeMatch, Practicelink, CareerMD, and others.

5.1.3. What enhancements and improvements to advanced practice provider recruiting would Respondent commit to making for NHRMC?

Similar to the programs supporting physician recruitment, NHRMC would benefit from our experience recruiting advanced practice practitioners. For example, in 2019 we recruited 580
advanced practice providers to our opportunities, including 17 to Memorial Health in Savannah and 67 to Mission Health in Asheville.

5.1.4. Provide detail on how provider recruitment was improved at hospitals and health systems that have affiliated or partnered with the Respondent.

We have been able to produce excellent recruitment results with recently affiliated facilities. For example, in 2019 Memorial Health UMC Savannah recruited 42 physicians and providers to their market. Included among those physicians were 16 specialists, 5 for GME program leadership, 4 primary care providers, and 17 advanced practice providers. In the North Carolina market, we recruited 22 specialists, 10 primary care physicians, 19 hospital-based physicians, and 67 advanced practice providers to Mission Health in Asheville.

5.1.5. Discuss how an affiliation or partnership with the Respondent would enhance recruitment and retention of or access to specialists and sub-specialists not currently, or adequately, available in the region.

We use several strategies to enhance recruitment of specialists and subspecialists to our markets. We are able to utilize the network of existing specialists on staff or recently recruited to our other hospitals. We are also able to offer the resident stipend program as mentioned above. In 2019, we recruited 765 new specialists to our markets.

Additionally, HCA would be able to utilize its significant, nationwide Graduate Medical Education presence to attract additional specialists. HCA’s GME programs are discussed in Section 5.2, below.

5.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on developing and/or enhancing NHRMC’s medical education, residency and fellowship programs, as well as nursing education and other provider training programs.

HCA Healthcare would help enhance and grow NHRMC’s GME programs. HCA Healthcare is the largest sponsor of GME in the United States with 4,716 residents and fellows enrolled in 300 ACGME accredited programs at 61 hospitals. HCA Healthcare projects enrollment of 7,372 residents and fellows in 418 ACGME accredited programs by 2024. The specialty mix of programs in the HCA Healthcare system includes the full range of primary care, hospital-based specialties, behavioral health, surgical specialties, and subspecialty fellowships. HCA Healthcare is also the largest sponsor of primary care training programs in the country, as demonstrated by our sponsorship of 30 Family Medicine residency programs with total enrollment of 497 Family Medicine residents. The Medical Board pass rate of graduates from HCA Healthcare programs averages 93%, which is above the national average for GME programs in the United States.

For bedside nurses, HCA Healthcare offers a variety of education and professional development programs. Our enterprise-wide HCA Healthcare Nurse Residency is designed to develop the clinical skills and professional development of new nurses through a structured 12-month post-graduate training program. StaRN, a three month onboarding
program, provides nurses with the clinical skills needed to perform at their best through classroom education, hands-on simulation training, and preceptorship. Nurses who complete the StaRN program continue to the professional development portion of the HCA Healthcare Nurse Residency where they further refine their skills through mentorship opportunities and monthly seminars. Specialized programs are also offered to enhance skills in med-surg and critical care specialties.

In March 2019, HCA Healthcare announced their agreement to acquire Galen College of Nursing, one of the largest educators of nurses in the country. This strategic partnership will bring together two of the top nursing organizations in the nation in order to increase access to nursing education and provide career development opportunities in nursing to improve patient care. It is anticipated that Galen’s nursing degree programs will offer additional career development opportunities for HCA Healthcare nurses. It also will provide opportunities for Galen to establish nursing programs at HCA Healthcare affiliates across the country, providing more clinical education and career opportunities for Galen students.

5.2.1. Discuss how an affiliation or partnership with the Respondent would impact existing medical education programs at NHRMC, including the affiliation with UNC. Does the Respondent commit to maintaining and enhancing all of these programs unless otherwise decided by the NHRMC Board?

As the largest GME sponsor in the country, HCA supports the expansion of the size of the program and through our extensive GME research and education support services would help meet the needs of the Wilmington community and surrounding region.

Similar to New Hanover Regional Medical Center, Mission Health also has a teaching affiliation with UNC – Asheville in conjunction with the Mountain Area Health Education Center, which has been maintained after the transition to HCA Healthcare. More generally, HCA works with a variety of academic institutions to support its residency programs nationwide.

Since acquiring Mission Health, HCA has increased the size of the psychiatry residency by 8 residents, from 4 per class to 6 per class across the four-year residency. We have recently received ACGME approval for new fellowships in surgical critical care and in addiction medicine, and a new transitional year residency and we have submitted an application for a new internal medicine residency expected to be accredited in September of 2020. Additional new programs are being organized for starts in 2021 and our GME Leader, Bruce Deighton, has become a member of the MAHEC Board of Directors. Also, we have initiated research collaborations with UNC and have added the UNC – Chapel Hill Dean of Research to the editorial board of our new medical journal, the HCA Healthcare Journal of Medicine.

5.2.2. Will the Respondent commit to developing and enhancing NHRMC’s existing medical residency programs in Internal Medicine, General Surgery, Family Medicine and Obstetrics and Gynecology?

HCA Healthcare agrees to maintain NHRMC graduate medical education programs, subject to certain conditions that would be agreed upon by HCA and the Sellers.
5.2.3. How would Respondent develop future residency and fellowship training programs?

NHRMC could be eligible to receive additional cap positions through a Medicare GME affiliated group agreement from HCA.

5.2.4. Discuss how an affiliation or partnership with the Respondent would support new programs or the implementation of Respondent’s current programs in the following education and training programs at NHRMC,

Please see our responses throughout the remainder of this section.

5.2.4.1. Graduate Medical Education;

NHRMC could be eligible to receive additional cap positions through a Medicare GME affiliated group agreement from HCA.

5.2.4.2. Nursing Education; and

As noted above, HCA Healthcare offers a variety of education and professional development programs for nurses that would be available to NHRMC in an affiliation.

Our enterprise-wide HCA Healthcare Nurse Residency is designed to develop the clinical skills and professional development of new nurses through a structured 12-month training program. StaRN, a three month onboarding program, provides nurses with the clinical skills needed to perform at their best through classroom education, hands-on simulation training and preceptorship. Nurses who complete the StaRN program continue to the professional development portion of the HCA Healthcare Nurse Residency where they further refine their skills through mentoring opportunities and monthly seminars. Specialized programs are also offered to enhance skills in med-surg and critical care specialties.

HCA Healthcare has a shared-services model for clinical education that provides dedicated resources to both the hospital and regional level, linked to a central support structure. This team shares expertise and resources to develop best in class clinical education programs. HCA has model programs, such as Dedicated Education Units, that can be used to foster greater alliances with local academic institutions. HCA has opened four of a planned fourteen regional Centers for Clinical Advancement. These training centers provide classroom, skills lab, and advanced simulation learning experiences for all clinicians.

Galen College of Nursing was acquired by HCA Healthcare this year. Galen provides access to RNI, BSN, and MSN programs at a very low cost. Eligible employees can take advantage of the Galen Grant, which significantly reduces the per credit hour cost for Galen Programs. Further, eligible employees may opt in to Direct Bill for online programs where Galen will bill HCA Healthcare directly. This could mean no up-front tuition costs, up to $5,250 per year. Galen offers a one of a kind CCNE Accredited program with engaging, interactive courses at a reduced credit hour cost representing a 50% savings for HCA colleagues. There are two
online MSN program options available, Nursing and Healthcare Leadership and Nurse Educator, also offered at a reduced credit hour cost.

HCA encourages our nursing staff to improve their knowledge, skills, and potential for advancement. The Clinical Certification Support Program offers pre-paid vouchers, test fee reimbursements, and bonuses for achieving specific, nationally recognized certifications beyond your current position’s requirements. Pre-paid vouchers are available for certifications from the following:

- American Association of Critical Care Nurses Certification (“AACN”)
- American Nurses Credentialing Center (“ANCC”)
- Board of Certification for Emergency Nursing (“BCEN”)
- Competency and Credentialing Institute (“CCI”)
- Orthopedic Nursing Certification Board (“ONCB”)
- Medical-Surgical Nursing Certifications Board (“MSNCB”)

Colleagues may be reimbursed for test fees that are not included in the pre-paid voucher process. To further encourage our staff development, HCA offers one bonus per calendar year for colleagues who have successfully achieved a certification or re-certification under the Clinical Certification Support Program.

5.2.4.3. Allied Health Education.

As noted above, HCA Healthcare offers a variety of education and professional development programs for all clinical professionals, including allied health programs that would be available to NHRMC in an affiliation.

HCA Healthcare has a shared-services model for clinical education that provides dedicated resources at both the hospital and regional level, linked to a central support structure. This team shares expertise and resources to develop best in class clinical education programs, including courses specific to respiratory therapy and sonography, which have already been deployed. HCA has opened four of a planned fourteen regional Centers for Clinical Advancement. These training centers provide classroom, skills lab, and advanced simulation learning experiences for all clinicians.

5.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to effectively deploy advanced practice providers in healthcare delivery teams.

HCA Healthcare believes that advanced practice providers are essential to high quality, cost-effective care delivery and would look to effectively deploy advanced practice providers (“APPs”) throughout the NHRMC network.
HCA’s Physician Services Group (“PSG”) currently has over 7,600 providers, including over 2,500 APPs. The APPs are core to many elements of our ambulatory and hospital-based practices. The purview of our APPs range from having their own panel of patients in primary care, to being part of teams of critical care providers, to being integral to the success of transplant and complex surgical programs. We aspire to look at each of our clinical platforms and to efficiently deploy physicians, APPs, and other clinical staff so that those platforms provide high quality, efficient, and comprehensive care.

5.3.1. Discuss the Respondent’s approach and experience in the use of advanced practice providers.

As noted above, APPs are core to our ambulatory and hospital-based practices. Within the hospital setting, HCA deploys APPs into our hospital platforms and service lines like cardiac, NICU, stroke, sepsis, and trauma platforms. They may function within these platforms in administrative roles and/or in direct clinical roles.

5.4. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s approach to working with community physicians.

HCA would embrace this pivotal moment in NHRMC’s history to engage community physicians, not only to understand how physicians throughout the community fit into the greater Wilmington healthcare system, but also to determine how HCA and NHRMC can work together to strengthen collaboration with community physicians. HCA strives to be the health system of choice for physicians in all of our markets, including both employed and independent providers. The majority of physicians at HCA hospitals are independent practitioners and, as a result, we are very experienced in maintaining and nurturing the relationships with independent physicians. At a corporate level, HCA’s Physicians Services Group’s (“PSG”) mission is to implement innovative, value-added solutions that help physicians deliver high-quality patient-centered healthcare in support of HCA Healthcare’s commitment to the care and improvement of human life. PSG works with executives who are responsible for physician relations and physician practice operations.

HCA has an entire organization designed to engage physicians and maintain effective physician relationships. HCA Healthcare’s Physician and Provider Relations (“PPR”) organization is comprised of over 400 sales professionals in seven specialty areas – Hospital Generalists, Hospital Surgery specialists, Hospital Service Line specialists, Outreach specialist, EMS specialists, Ambulatory Surgery Center specialists, and Behavioral Health specialists. The Physician and Provider Relations organization engages physicians through nearly 600,000 face-to-face calls annually.

Physician and Provider Relations’ main objectives are to:

- Provide and act upon physician voice
- Support efficiencies that create more time with patients
- Expand business development opportunities through strategic relationships
• Communicate physician value proposition through deliberate messaging
• Connect all actions back to a foundation of clinical excellence

5.4.1. Describe any programs offered by the Respondent that could be rolled-out at NHRMC in order to more closely align with and support independent physicians and medical groups (e.g., management services organization and providing EMR access to small practices and other clinical points of care).

The majority of HCA Healthcare’s medical staff members are independent and the development of mechanisms to align with these physicians is key to our long-term success. Alignment structures currently operating within HCA include narrow networks, clinically integrated networks, accountable care organizations, clinical co-management programs, independent practice organizations, bundled payment structures with gain sharing mechanisms, management service organizations (which may include full risk-bearing capabilities), and joint ventures. Other offerings to independent physicians include access to service line advisory councils, ambulatory surgery center (“ASC”) equity, medical office building (MOB) investment, and Professional Services Agreements (“PSAs”) for Medical Directorships and on-call agreements.

The Foundation Model, a professional services arrangement, would also be available to independent physicians who may be interested. In this model, their practice would be owned and operated by HCA Healthcare Physician Services, and they would provide professional services in that practice. A practice advisory council is formed to assist with the management of the clinical and non-clinical operations of the practice, and service line advisory councils will be available to the physician(s). Additionally, HCA utilizes other models for alignment with independent physicians including ASC and MOB equity and PSA agreements.

In addition to the formal alignment structures noted above, HCA has developed a number of tools and mechanisms to share data and empower local providers to enhance their level care and service. For physicians that sign-up to participate in a Provider Notification System, HCA sends text messages or emails (based on provider preference) when a patient presents at one of our facilities and provides updates on patient progress.

5.4.2. What is the Respondent’s approach to partnering with independent physicians and medical groups in joint ventures and clinically-integrated programs?

Most of HCA Healthcare’s medical staff members are independent and the development of mechanisms to align with these physicians is key to our long-term success. Alignment structures currently operating within HCA include narrow networks, clinically integrated networks, accountable care organizations, clinical co-management programs, independent practice organizations, bundled payment structures with gain sharing mechanisms and management service organizations (which may include full risk-bearing capabilities) and joint ventures. Other offerings to independent physicians include access to service line advisory councils, ambulatory surgery center (“ASC”) equity, medical office building (“MOB”) investment, and Professional Services Agreements (“PSAs”) for Medical Directorships and on-call agreements.
The Foundation Model, a professional services arrangement, would also be available to independent physicians who may be interested. In this model, their practice would be owned and operated by HCA Healthcare Physician Services, and they would provide professional services in that practice. A practice advisory council is formed to assist with the management of the clinical and non-clinical operations of the practice, and service line advisory councils will be available to the physician(s). Additionally, ASC and MOB equity and PSA agreements would also be available. More recently, we have evaluated several joint ventures with major medical groups who are interested in aligning with HCA.

As noted previously, HCA has developed physician networks and deployed value-based models such as Medicare ACOs or Clinically Integrated Networks ("CINs") in a number of diverse markets across the country including large metropolitan areas and smaller rural regions. Overall, we have 11 value-based entities including:

- Five Clinically Integrated Networks ("CINs")
- Four CMS Accountable Care Organizations ("ACOs")
- Two Management Services Organizations ("MSOs")

To support development efforts across the country, HCA has a team dedicated to standing up and supporting new networks. Additionally, to accelerate and assist this effort, HCA is creating a scalable infrastructure that we would be able to deploy in the Wilmington market.

### 5.4.3. Discuss how an affiliation or partnership with the Respondent would impact existing (and developing) hospital-based provider contracts, joint ventures and other physician contracts and agreements. Does the Respondent commit to maintaining all of these relationships unless otherwise decided by the NHRMC Board?

We recognize that NHRMC’s existing physician relationships are vital to the community. HCA Healthcare would evaluate all existing hospital-based provider contracts, joint ventures, and other physician contracts and agreements.

### 5.4.4. Describe the Respondent’s approach to the use of non-compete and cost share provision clauses in physician contracting.

HCA typically includes non-compete language in its physician contracts. The terms and conditions vary based on a number of factors including but not limited to size of the group, specialty, state laws and regulations, and local market dynamics.

HCA utilizes gainshare agreements with employed physicians when it is protected by a CMS waiver. In several hospitals, HCA has gainsharing agreements in place where the hospital is participating in the CMS Bundled Payment for Care Improvement Advanced program or the Comprehensive Care for Joint Replacement program.

### 5.4.5. What is the Respondent’s approach to working with independent physicians who have built practices in the community? Describe what impact, if any, the
Proposed Strategic Partnership would have on NHRMC’s approach to and relationships with independent physicians.

HCA would work with NHRMC leadership to understand existing relationships with independent physicians and providers. We intend to honor existing provider relationships subject to our diligence and compliance with the applicable law. Our goal would be to ensure continuity with minimal disruption.

HCA strives to be the physician’s health system of choice. HCA has an entire organization designed to engage physicians and maintain effective physician relationships. HCA Healthcare’s Physician and Provider Relations (“PPR”) organization is comprised of over 400 sales professionals in seven specialty areas – Hospital Generalists, Hospital Surgery specialists, Hospital Service Line specialists, Outreach specialist, EMS specialists, Ambulatory Surgery Center specialists, and Behavioral Health specialists. The Physician and Provider Relations organization engages physicians through nearly 600,000 face-to-face calls annually.

Physician and Provider Relations’ main objectives are to:

- Provide and act upon physician voice
- Support efficiencies that create more time with patients
- Expand business development opportunities through strategic relationships
- Communicate physician value proposition through deliberate messaging
- Connect all actions back to a foundation of clinical excellence
5.5. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s approach towards medical group practice operations for its employed physician base.

HCA Healthcare’s Physician Services is comprised of over 19,400 professionals and six business units – Physician Operations, Hospital Based Physicians, Urgent Care Centers, Management Services Operations, Graduate Medical Education, and Physician Recruitment.
Physician Services is led by Michael Cuffe, MD, MBA, a cardiologist, formerly Chief Medical Officer, Vice Dean, and a lead executive overseeing ambulatory operations and physician alignment strategies for Duke University Health System. Dr. Cuffe’s experience in North Carolina and beyond also includes institutional leadership of site-based and multicenter contract research and institutional graduate medical education oversight.

Physician Services Group’s main objectives are to:

- Infuse the best clinical and operational standards across our practices to deliver high-quality, cost-effective care to the communities we serve
- Make it easier for physicians to practice medicine and reduce the burdens of managing an independent practice
- Create measurable value by serving as trusted, invaluable partners
- Structure employed provider programs, professional service agreements, and joint-ventures for operational excellence and better clinical integration
- Partner with physicians in a variety of ways and advance capabilities for value-based care (MACRA/MIPs, ACOs, clinical integration, bundling)

Physician Services Group includes over 7,600 providers employed, managed, or under professional services agreements and aligns with an additional 4,317 providers through joint ventures. Physician Services Group presently manages 1,240 practices and 120 urgent care
centers that perform upwards of one million procedures and over 13.6 million patient encounters annually. All of these numbers represent a commitment to providing patient-centric, high quality care to the communities we serve.

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<td>providers recruited annually</td>
<td>professional net revenue</td>
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HCA Healthcare believes that physician employment will continue to accelerate in the years to come as reimbursement from professional fees continue to face pressure, physician shortages increase, and value-based care including provider risk bearing reimbursement replaces traditional fee-for-service models. Our Physician Services Group (“PSG”) has been managing employed physician practices for over 20 years and has built the management and clinic infrastructure required to operate high quality physician practices efficiently at scale. Currently PSG employs in excess of 7,600 hospital based and community physicians, and advanced practice providers.

5.5.1. How does the respondent view the NHRMC medical group relationship with Atrium and would that be continued? If not, what is the alternative and how does it compare to the current state?

Physician relationships are of the utmost importance to the provision of quality healthcare in the community. After completing the Proposed Transaction, NHRMC’s existing relationship with Atrium would be discontinued. As an employer of over 7,600 hospital-based and community physicians and advanced practice providers across the country, HCA has significant depth and breadth of experience in managing employed physician practices. We believe that integration between NHRMC and HCA among the management of the medical group and other facilities within the network is essential.

5.5.2. What enhancements to medical group operations could Respondent offer to NHRMC?

In addition to an experienced leadership team with an average of over 20 years in practice operations management, HCA’s PSG also has embedded subject matter experts in areas such as quality and government programs, business analytics and reporting, marketing, performance improvement, urgent care, lab management, physician recruiting, and graduate medical education, among others. Each of these functional support services have helped
HCA Healthcare to excel in MIPS/MACRA programs, achieve top quartile patient experience scores, positive reputation management reviews well above industry averages and same practice provide these services to NHRMC to help grow and improve its practice performance, as needed.

5.6. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on local medical staff governance at NHRMC. Address any material shifts or changes in policy and procedure regarding privileging, credentialing, quality and safety that the medical staff may anticipate as a result of such partnership.

HCA recognizes the importance of ensuring continuity and communication with medical staff. Changes to the medical staff governance, if any, would be approached with the goal to minimize disruption among the physician community. Local medical staff governance is provided through medical staff leadership roles, a hospital-based quality committee, and through representation of a local board of trustees.

During the diligence phase of a Proposed Transaction, we would work with NHRMC to understand the current medical staff governance structure including the processes for privileging, credentialing, and peer review. We have been successful with the implementation of a standard set of medical staff bylaws in certain facilities, and a potential option would be to migrate to that structure. Alternatively, at Mission Health, our bylaws were so similar that HCA chose to continue to utilize the existing Mission Health bylaws that had been used historically.

5.7. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on physician retention at NHRMC by discussing:

5.7.1. Medical education and training programs for physicians;

HCA has resources available for medical training programs and continuing medical education to which NHRMC would have access.

From a medical training perspective, HCA is one of the largest providers of Graduate Medical Education (“GME”) in the nation. HCA GME graduated 842 physicians in 2019. 33% of graduates who were entering clinical practice were retained in their local market which is consistent with national averages. HCA GME has several programs focused on resident retention. The intent of the program is to build and develop future faculty and leaders for HCA GME programs. Participation in this program will provide residents invaluable experience in understanding a career in a faculty track and resources that will carry them far beyond their residency. In addition, HCA GME programs host regularly scheduled events with local HCA recruiting partners and provide targeted assistance with placement from the beginning of residency training. The goal of HCA’s GME program is to train the next generation of our medical staff.
This emphasis on GME has enabled HCA to provide medical education at scale for all physicians. We utilize our GME content for Continuing Medical Education (“CME”) for our physicians in order to create a comprehensive and consistent learning network. All physicians at NHRMC will have access to Grand Rounds and training programs that are offered through our national GME program. HCA GME National Grand Rounds are accredited for AMA Category 1 credit with a focus on patient safety and evidence-based practice in internal medicine, family medicine, emergency medicine, trauma, surgery, women’s health, anesthesiology, psychiatry, and wellness. There are over 100 self-directed modules available each year for use by members of the medical staff. Available content continues to expand as our GME program continues to grow nationwide providing access to national content experts.

5.7.2. Programs to enhance physician satisfaction and to prevent physician burnout;

At HCA Healthcare, we offer physicians unparalleled access to and engagement with the executive leadership of each facility. We host annual physician engagement surveys to better understand and respond to the unique needs of our physician partners so that together we can ensure patients receive the care they deserve. In 2019, we collected nearly 18,000 survey responses which were used to develop facility-specific strategic action plans with direct input from physicians. The action plans are updated quarterly and progress is shared with physicians year-round.

Physician satisfaction is often higher when physicians have a voice and participate in meaningful patient care improvement efforts. Many of our clinical service lines have physician advisory councils that help inform HCA’s clinical initiatives. For example, our cardiovascular service line maintains an Operations Council made up of 10 clinical sub-committees and working groups, and more than 100 physicians participate in these efforts.

A number of our hospitals have begun to address physician burnout. HCA recognizes that physician (and nurse) distress is a real issue in the industry, considering physicians have the highest suicide rate of any profession. Physicians serve a demanding yet critical role in our communities, and dealing with life or death issues daily is not an easy task. Additionally, market forces such as more administrative work taking doctors away from the bedside, advances in technologies, and the declining health of an aging population are all contributing factors to an increasing physician burnout rate.

As an example of how HCA is addressing physician burnout, an HCA hospital funded the licensing and administration of a physician wellbeing survey. As a part of this effort, several physicians organized themselves into the Physician Wellbeing Committee. In addition to administering the survey, this committee organizes events for the physician community where physicians have a forum to discuss the issues with which they struggle. Lessons learned from this program could be brought to NHRMC in order to address physician burnout, if appropriate.

5.7.3. Programs to train physician executives and further physician leadership; and
As part of its Leadership Institute, HCA Healthcare has created a series of leadership programs designed to train and develop its physicians for leadership roles. Example programs include:

- **Physician Leadership Academy**: World-class training program to support physicians as they transition in HCA’s CMO executive leadership role, including training for essential leadership skills and how to drive organizational performance and the clinical agenda

- **Medical Executive Committee/Chief of Staff Leadership Academy**: Leadership development and organizational alignment for physicians serving as Presidents of Medical Executive Committees

- **CMO to CEO Program**: Pipeline strategy to provide development for high potential Chief Medical Officers seeking further leadership opportunities within the HCA Healthcare enterprise

5.7.4. Finally, discuss Respondent’s experience with physician retention at hospitals and health systems that have affiliated or partnered with the Respondent.

HCA’s Physician Services Group (“PSG”) has been successful in both maintaining and expanding virtually all physician groups that have affiliated with our organization. The overall turnover rate of our employed physicians is well below the national average, and our affiliated medical staff has grown 2% per year over each of the last five years. PSG physician recruitment is responsible for the recruitment of over 1,900 providers annually. Our physician engagement surveys are conducted twice annually. Finally, we have formalized institutional processes in place to quickly address physician specific issues that have further improved our physician’s experience engagement and retention within our organization. At Memorial Health in Savannah, the combination of physician recruiting, in-market physician shifts, and the natural attrition of physicians retiring and leaving the market has resulted in the size of the medical staff remaining constant. At Mission Health in Asheville, medical staff membership grew primarily as a result of new physicians moving into the market.

6. **Driving Quality of Care and Patient Safety Throughout Continuum**

6.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to improve and measure quality of care and patient safety.

HCA’s overriding imperative is to be a premier clinical and caring organization in all of the communities we serve. This is both a challenging mandate and an exciting opportunity, as we currently deliver about five percent of all inpatient care in the United States. By working with our extensive network of clinicians, we utilize our access to clinical data across many markets to produce groundbreaking quality initiatives. Many of these initiatives have been recognized models in healthcare by the Centers for Medicare and Medicaid Services, the
Leapfrog Group, the National Patient Safety Foundation, and the Centers for Disease Control.

HCA has intentionally designed its structure to support clinical performance improvement initiatives. Our organization relies heavily on input from physician and nursing leaders to drive our quality of care and patient safety agenda. Chief Medical Officers and Chief Nurse Executives serve on HCA’s executive management teams. Many service lines in our hospitals are led by a multidisciplinary team of clinical and administrative leaders.

As part of HCA’s network, NHRMC would also benefit from access to our vast clinical data warehouse. We have captured every clinical data element in our system since 2009. The data contained in the clinical data warehouse is aligned with additional data systems housing discrete business functions. We are working to create a single enterprise data warehouse to contain both a traditional structured data center and an unstructured information system that will include notes and images and eventually audio and visual elements. This data will further enable and drive patient safety and quality initiatives.

HCA Healthcare strives to operate at the 90th percentile nationally in most every clinical, satisfaction and engagement metric. To that end, extraordinary resources are deployed nationally and at the local level to achieve superior outcomes. Many of our hospitals achieve top decile performance and a number of them are recognized nationally for their results. In addition, our executive and director annual bonus plans are materially weighted around these metrics. HCA’s clinical resources can be deployed at NHRMC in order to positively impact quality of care and patient safety.

HCA Healthcare’s Patient Safety Organization (“PSO”) is the largest member of the Agency for Healthcare Research and Quality (“AHRQ”), an agency of the U.S. Department of Health and Human Services. All of HCA Healthcare’s affiliated hospitals serve as members of the PSO which is valued as a prominent contributor to research and leading practices shared through the AHRQ. Sentinel events are reported through the PSO and activate multiple layers of support. The PSO provides a standard format for Serious Event Analysis (“SEA”), or root cause analysis, and escalation paths for regional and corporate assistance with analysis, action planning, and monitoring. The PSO also analyzes event and SEA reports for trends and shares learnings among the PSO membership.

As a part of HCA Healthcare, NHRMC would have access to a multitude of resources to support clinical quality initiatives and ensure continuation of high-quality care, including:

- Membership in HCA PSO, LLC and the supportive education and tools offered by the PSO
- Access to the Physician Leadership Academy and Executive Development Programs for nurse executives and service line leaders
- Support for specialty certification for nurses
- Access to a network of ANCC Magnet and Pathways to Excellence hospitals
• Ability to benchmark clinical performance across HCA Healthcare’s portfolio of hospitals and specialty programs

• Support systems for Joint Commission and Regulatory Accreditations, as well as specialty service accreditations (e.g., trauma, stroke)

• Implementation of quality and safety technologies such as Theradoc, Midas, Vigilanz and CHOIS

• Access to a library of internally developed evidence-based order sets, clinical program toolkits, and performance dashboards to identify unnecessary variation in clinical processes.

• Ability to participate by contributing and using tools developed by HCA Healthcare that have advanced analytic and data science teams, including our Red Hat Award-winning “SPOT” (Sepsis Prediction and Optimization of Treatment) program. Please view this 90 second video for more information.

• Support for graduate medical education program accreditation and programmatic requirements (e.g., research)

• Immediate access to the HCA Knowledge Center, which is an e-Library of over 4,000 medical journals and 1,500 medical books as well as a repository of leading clinical practices

• Support for emergency management, including incident management and leveraging HCA and HealthTrust Purchasing Groups emergency services (e.g., air transport), supply (e.g., generators, fuel, etc.), and remediation contracts

Working together, NHRMC and HCA Healthcare can expand existing clinical service capabilities, enhance medical staff synergies, and allow residents of southeast North Carolina to receive the high quality, cost-effective healthcare services they deserve. HCA is committed to developing and employing best practices in medicine by using our scale to support continual improvement. We offer physicians evidence-based guidance, tools, measurement, advanced analytics, data science, and millions of patient encounters to promote safe, effective, efficient, and compassionate care that saves lives.

HCA has a significant record of public recognition for its clinical excellence (as noted by its numerous Centers of Excellence) and has received extensive recognition across the enterprise:

• St. David’s HealthCare (Austin, TX) was named one of four Malcolm Baldrige Award winners in 2014.

• Relative to all Core Measure set composite scores, 45 of HCA’s hospitals perform in the top ten percent of all U.S. hospitals, and almost 90% are in the top quartile.
The Joint Commission. 106 (78%) HCA hospitals are recognized as “Top Performers” by The Joint Commission, as compared to 32% of hospitals accredited by The Joint Commission nationally.

Truven “100 Top Hospitals”. Nine of our hospitals were recognized in the 2017 Truven “100 Top Hospitals” list (released on March 2017). Two were in the Large Teaching category: Kendall Regional Medical Center (Miami, FL) and Rose Medical Center (Denver, CO), four were in the Large Community Hospital category: St. David’s Medical Center (Austin, TX), Henrico Doctors’ Hospital (Richmond, VA) North Florida Regional Medical Center (Gainesville, FL) and West Florida Hospital (Pensacola, FL), two were in the Medium Community Hospital category: Fairview Park Hospital (Dublin, GA) and West Valley Medical Center (Caldwell, ID) and one in the Small Community Hospital category: Lakeview Hospital (Bountiful, UT).

Specialty Accreditations. HCA’s hospitals’ specialty accreditations include: The Joint Commission for Advanced Primary Stroke and Orthopedic Joint Replacement; The Society of Chest Pain; The American Society for Metabolic and Bariatric Surgery; Bariatric Surgery Centers of Excellence. Additionally, multiple HCA facilities have earned a 3-year Accreditation with Commendation from the American College of Surgeons Commission on Cancer.

Magnet Designation. Eleven HCA hospitals are Magnet® designated, among less than 7% of all hospitals in the US that have demonstrated the ability to attract and retain top talent, improve patient care, safety and satisfaction, foster a collaborative culture, and contribute to a facility’s business growth and financial success. These hospitals include: Medical City Dallas (TX), Medical City Children’s Hospital Dallas (TX), Medical City Plano (TX), Medical City Fort Worth (TX), The Medical Center of Aurora (CO), Rose Medical Center (CO), Lewis Gale Montgomery Regional (VA), Frankfort Regional (KY), Medical City Denton (TX), Medical City Lewisville (TX), and Medical City Frisco (TX).

2 HCA hospitals were recognized by HealthGrades in its 2016 “America’s 100 Best Hospitals” list.

HCA achieved Stage 1 Meaningful Use in virtually every one of its eligible hospitals. Only 16% of U.S. hospitals have reached this level of performance.

HCA is constantly learning from its affiliated hospitals and subject matter experts to better clinical outcomes for our patients. As published in the New England Journal of Medicine, HCA conducted the Active Bathing to Eliminate (“ABATE”) trial, to cut hospital acquired blood stream infections. The trial studied the impact of daily bathing using cloths with the antiseptic soap chlorhexidine (as well as giving a nasal antibiotic to those patients with MRSA), compared to daily bathing with ordinary soap and water and involved 330,000 patients at 53 hospitals. This trial saw an approximately 40% reduction in antibiotic-resistant bacteria and a 30% reduction in hospital-acquired blood stream infections in the general population of patients that had central lines catheters or drains. The ABATE trial is demonstrative of HCA’s ongoing commitment to both follow and establish best practices.
6.1.1. Are there programs offered by Respondent that could enhance NHRMC’s outcomes?

HCA’s Clinical Services Group (“CSG”) provides leadership for clinical services and improves performance across all HCA care settings. Current activities include: advancing electronic health records for learning healthcare and continuous improvement; driving value through data science and advanced analytics; and elevating measured clinical performance and patient safety to benchmark levels. This team recently completed the landmark REDUCE MRSA study that demonstrated a 44 percent improvement on known best practices for reducing bloodstream infections.

The Clinical Services Group also developed a Sepsis Prediction and Optimization of Therapy (“SPOT”) using artificial intelligence based on patient data to help identify sepsis patients sooner. A series of algorithms in the health system’s data centers comb through patient information in real time, including lab reports and vital signs, capable of triggering an alert when signs of sepsis present themselves. HCA’s SPOT program has improved outcomes and reduced mortality rates across the organization.

The below graphic depicts the HCA model for implementation of quality initiatives at scale across the enterprise.

![Learning and Improving at Scale](image)

We believe that by combining our clinical excellence agenda and financial stability, HCA will continue to enhance its leading position in existing and future communities.

6.1.2. Describe how the Respondent’s quality and patient safety assurance efforts would be integrated with NHRMC’s existing quality and patient safety assurance infrastructure.

HCA’s quality and patient safety efforts would supplement those that are currently in place at NHRMC. In order to fully integrate our efforts, we would evaluate NHRMC’s existing structure and determine strengths and any weaknesses in terms of policies, procedures, and metrics.
Next, we would bring HCA’s size, scale, and experience to support existing initiatives and add additional initiatives in key areas. Over time, HCA corporate efforts would be added if deemed beneficial.

6.1.3. Describe how the Respondent’s care management and coordination efforts would be integrated with NHRMC’s existing programs.

HCA Healthcare would work with NHRMC to enhance existing programs by bringing expertise, best practices, and new programs. HCA has a number of care management and coordination programs, including specific cancer, cardiovascular, and high-risk perinatal navigation services that can be deployed in the market. We have technology tools, people, and process resources to support care navigation.

An example of what may be integrated with NHRMC’s existing programs is HCA’s National Contact Center Management (“NCCM”) which is managed centrally and provides support to all of our local markets for care coordination efforts. The agents at the contact center call and introduce themselves to patients on behalf of local facilities. NCCM provides support for physician referrals for patients who are discharged out of urgent care clinics, ERs and free-standing EDs, and inpatient facilities. Calls are made within 48 hours of discharge per best practice standards. In 2019, NCCM expanded their reach by including texting capabilities for patients to set up appointments via text message. NCCM provides additional care coordination support across the enterprise through a nurse triage line, post navigation surveillance, class and event registration, and navigation support. The structure of NCCM provides HCA with a shared-service infrastructure around reporting and analytics, account management, and patient portal support.

6.1.4. Provide detail on how quality of care and patient safety was impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent.

An affiliation with HCA would enable access to our clinical data warehouse and associated analytics which facilitate benchmarking across a variety of different metrics including those related to quality and patient safety. Due to the vast size of our clinical network, we have been able to utilize our clinical data in order to develop robust quality and safety initiatives across our enterprise.

The acquisition of Mercy Hospital, located in Miami, FL, in 2011 is an example of how HCA was able to positively impact quality. One of the keys to the successful integration of Mercy Hospital was a deep focus on clinical excellence. Through implementation of our quality initiatives, Mercy saw improvements in Core Measures scores, and reduced infection rates for VAP, ICU, CLABSI, and UTI (to levels below national average). Mercy received recognition in key clinical programs such as HealthGrades and AHCA.

HCA’s enterprise Sepsis program has focused on reducing inconsistent identification and delayed treatment of Severe Sepsis and Septic Shock patients to improve mortality risk. Over the past 24 quarters, increased Sepsis Bundle compliance within 3 hours has contributed to a
1,420 basis point reduction in sepsis mortality rate. Recently affiliated hospitals have the opportunity to see similar results from this program.

**HCA Sepsis Mortality Rate vs. Bundle Compliance**

Mission Memorial Hospital has seen a decline in 12 month moving averages in mortality, septic shock mortality, and C. Diff from Q4 2019 – January 2020 as seen below.
Mission Memorial Septic Shock Mortality Rate

Clinical Excellence: 2019 HAI Performance

- CDIFF
- MRSA
- CLBSI
- COLO SSI
- HYST SSI
- CAUTI

Response to New Hanover Regional Medical Center RFP
6.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on adherence to preventive care guidelines, evidenced-based protocols, quality of care and patient safety initiatives within the organization and in partnership with community providers.

Exceptional clinical care is one of our founding principles, and as such, HCA has numerous evidence-based protocols and preventive care guidelines that can be shared with NHRMC. In collaboration with our medical staffs, subject matter experts, and industry leaders, HCA has developed the following best practices and playbooks, and each local medical staff has the opportunity to adopt these guidelines and protocols. These initiatives are the pillars of HCA’s Clinical Service Group and have contributed to improved patient outcomes. Examples include:

- Perioperative hemorrhage or hematoma rate (PSI-9): HCA’s current percentile performance is 82nd percentile, non-HCA market competitors perform at the 36th percentile.
- Postoperative wound to dehiscence (PSI-14): (i.e., a wound that splits open after surgery on the abdomen or pelvis) HCA's aggregate performance is at the 67th percentile, non-HCA market competitor's aggregate performance is at the 22nd percentile.

- Outpatients with chest pain who were administered drugs to break up blood clots (OP-2): HCA's total performance is at the 86th percentile nationally compared to non-HCA market competitors performing at the 46th percentile.

- In 27 of 45 markets (60%), HCA hospitals have a higher survival rate than the aggregate performance of non-HCA hospitals for acute myocardial infarction. In 12 of 45 (27%) of those markets, HCA hospital is the top performer.

- Development of pressure sores in hospitalized patients (PSI-3): HCA’s aggregate performance is at the 72nd percentile, non-HCA market competitors performed at the 33rd percentile.

- Developments of serious blood clots after surgery (PSI-12): HCA’s aggregate performance is at the 72nd percentile nationally, non-HCA market competitors perform that the 37th percentile.

- For patients leaving the emergency department without being seen HCA is in the top one percentile nationally in performance, we are HCA market competition.

- Early care of the sepsis patient (SEP-1): HCA healthcare regional health systems outperform our market competition and 39 of 45 markets (87%). In 27 of those 45 markets (60%) and HCA hospital is the top hospital in the market.

- In the treatment of septic shock, 77% of patients receive the sepsis bundle completed in under three hours in HCA hospitals, and 67% of patients receive antibiotics within one hour.

- 99% of HCA trauma centers perform better than the national average in trauma-associated mortality 2.3% versus the national average of 4.4%.

- Isolated hip fracture (“IHF”) protocols at HCA hospitals have improved IHF mortality with a relative reduction of 8.1%.

- Shock protocols for resuscitation have reduced shock mortality by 3.4%.

6.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to engage and empower nurses to be leaders in achieving excellence in quality and patient safety (e.g., Magnet Recognition Program).

There are currently 11 HCA facilities that have achieved an ANCC Magnet Designation, and 22 have achieved Pathways to Excellence designation.

Units of Distinction is a program established to drive excellence in nursing care and to recognize nursing departments displaying exemplary performance in the following strategic pillars: Advocacy and Leadership, Consistency in Nursing Practice and Operations, and
Leveraging to Scale to Drive Performance. Units of Distinction is an internal performance recognition program that HCA has developed to elevate performance at the unit level across the organization. Advisory boards of nurse managers for each specialty raise the bar for recognition each year, progressing toward the standards set by the ANCC Magnet program. Each HCA facility is expected to have a vibrant Professional Practice Council, the effectiveness of which is assessed annually as part of the Unit of Distinction program. NHRMC would be a welcomed participant in the Units of Distinction program after an affiliation with HCA.

To empower our nurses, HCA created the Inspire App which provides a platform for mentorship, career development, education and training, and rewards and recognition. A private HCA Nurses Facebook page also provides an opportunity for recognition and engagement across the enterprise. These tools would also be available to NHRMC in an affiliation with HCA.

In creating and sustaining HCA Healthcare’s nursing community, we are dedicating resources to ensure nurses realize and feel that they are not only valued professional in their workplace, but also are a group of professionals with a profound and noble purpose. Our first and most important task is to build that awareness in order to inspire and strengthen our community of nurses. Our nurses are challenged with demanding tasks and we want to ensure they have all the necessary tools and resources needed to deliver excellent care to patients, advance the nursing practice, and pursue their professional goals.

At HCA, our nurses have a strong voice that is heard and respected. As such, our nurses have generated innovation in how we deliver patient care. In 2013, our nurses created a novel category product, called Vitals Now, which uses technology to electrically register patient vital signs such as a temperature, blood pressure, pulse, respiratory rate, and other patient data elements right at the bedside, saving the writing and transcription time the process had historically involved. Additionally, Vitals Now makes patient data quickly available to doctors, nurses, and others. This product has saved our nursing staff an average of 30 minutes per shift per nurse.

In order for our nurses to provide excellent clinical care, they also need to be able to easily collaborate with their care teams. Recognizing that, HCA purchased and provides iMobile to our nursing staff. iMobile is a secure platform for smartphones with an application called Mobile Heartbeat (“MHB”). MHB provides secure text messaging and phone calling, integration with the nurse call system, patient lists, care team lists, facility directories, and lab results. MHB also includes a desktop application that can be used to message those with the shared devices. The platform improves care coordination and delivery of care, such as bed placement, fulfillment of orders, and coordinating care team activity. Physicians are also using MHB on their own devices to communicate to the care team.

HCA encourages our nursing staff to improve their knowledge, skills, and potential for advancement. The Clinical Certification Support Program offers pre-paid vouchers, test fee reimbursements, and bonuses for achieving specific, nationally-recognized certifications beyond a nurse’s current requirements. Pre-paid vouchers are available for certifications from the following:
• American Association of Critical Care Nurses Certification (“AACN”)
• American Nurses Credentialing Center (“ANCC”)
• Board of Certification for Emergency Nursing (“BCEN”)
• Competency and Credentialing Institute (“CCI”)
• Orthopedic Nursing Certification Board (“ONCB”)
• Medical-Surgical Nursing Certifications Board (“MSNCB”)

Colleagues may be reimbursed for test fees that are not included in the pre-paid voucher process. To further encourage our staff development, HCA offers one bonus per calendar year for colleagues who have successfully achieved a certification or re-certification under the Clinical Certification Support Program. Recently acquired Mission Health already has the Clinical Certification Program in place.

6.4. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on enhancing or developing performance excellence programs at NHRMC (e.g., Baldridge, Lean, Six Sigma, High-Reliability, Just Culture, etc.).

HCA would support and strengthen performance excellence programs at NHRMC by utilizing our continuous learning and improvement models. HCA Healthcare has broad experience driving both clinical and operational performance improvement, and we are steadfast in our pursuit of insights and care advances based on the knowledge and data we gain from approximately 30 million patient encounters a year. Every day, we raise the bar to improve the way healthcare is delivered.

New Hanover Regional Medical Center would be able to utilize the scale of HCA by the adoption of existing improvement programs, should they desire. The sharing of best practices across the enterprise will act as an accelerator to process improvement. HCA has centralized resources to support process improvement, including data analytics, data scientists, safety scientists, and leaders in infection prevention. Performance improvement is implemented at the local level, with dedicated Performance Improvement staff in many markets. Within HCA’s Clinical Services Group (“CSG”), there are individuals with deep experience with Lean, Six Sigma, and Baldridge. For example, HCA’s St. David’s Medical Center earned a Baldridge Award and has since shared best practices with the HCA network. HCA has a number of resources it can bring to bear to support NHRMC in developing performance excellence programs that are in alignment with NHRMC’s strategic and clinical priorities.

6.5. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s access to emerging technologies that have been successful in addressing patient safety and enhancing the provision of high-quality care (e.g., analytics to identify quality and safety gaps, artificial
intelligence/machine learning to support medical decision-making, patient engagement platforms, etc.).

HCA Healthcare’s clinical operations and performance analytics team develops and maintains a suite of clinical analytical tools to identify clinical opportunities in such areas as Sepsis, ICU care, mechanical ventilation, Ischemic Stroke, and ER controlled substance prescribing. These clinical intelligence tools are used by local, regional, and corporate clinical leadership to drive clinical improvement. These tools would be available to NHRMC upon an affiliation with HCA.

HCA views data both predictively and prescriptively with regard to patient care. To do accomplish this dual perspective, HCA hired data scientists to apply machine learning, natural language processing, and artificial intelligence techniques. For example, we are using natural language processing and machine learning to segregate pathology reports into benign and malignant reports to identify types of cancer. As a result, HCA’s cancer coordinators no longer spend the bulk of their time reading through pathology reports and now patients can have their biopsy results within 24 hours.

We have also captured every clinical data element in our system since 2009, in both the EMR and our clinical data warehouse. The data contained in the clinical data warehouse is aligned with additional data systems housing discrete business functions. We are working to create a single enterprise data lake to contain both a traditional structured data center and an unstructured information system that will include notes and images, and eventually audio and visual elements. This data will further enable and drive patient safety and quality initiatives.

**TrackER** is an emergency department patient volume and throughput tool that makes predictions about anticipated ER volumes to allow for appropriate resource allocation to prevent long ER queuing and overcrowding. This tool works with “EDWIN” (ED Work Index Number), providing real-time determination of ED overcrowding based on patients, arrival frequency, current ER census, and the number of providers. TrackER offers escalating notifications to operators to implement surge plans and avoid ER crowding and assurance of timely delivery of emergency medical care.

HCA Healthcare has also developed a real-time **Sepsis Prediction, and Optimizations of Treatment (“SPOT”)** technology that continuously evaluates all hospitalized patients for the early signs of sepsis every time a new piece of relevant information is added to the EHR. To enable SPOT, HCA built a real-time data platform, within which clinical data moves from every EMR to our central data centers, within minutes, and upon which a number of algorithms have been built. A large, organization-wide data science and engineering team creates and supports these algorithms in close partnership with our clinical experts and leaders. SPOT has been highly successful in reducing inpatient severe sepsis mortality, and has been recognized by national awards.

HCA is also building an advanced analytics and data science platform built upon our expansive technology system (“NATE”). This platform is available to all data science teams across the organization, which will enable significant local innovation, as well as sharing and scaling of successful innovation. An example of the kind of algorithms (or AIs) that run today
on this platform are patient setting and throughput predictors which enable workflows for optimal patient movement within the hospital. In addition, this platform supports many other algorithms from palliative care prediction to evacuation optimization.

HCA is actively involved with technology leaders across the country and beyond to extend the AI capabilities of the organization. These conversations extend from digital patient engagement through passive, post-acute patient monitoring. Due to our size and scale we are able to engage broadly with industry leaders in this space, and make available the best technology to our facilities, in order to improve patient care and operations.

6.5.1. Provide detail on how access to these emerging technologies was impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent, including detail on the time and disruption associated with implementation.

Recent HCA hospital acquisitions have implemented the above emerging technologies and have used them to improve quality performance. For example, the HCA acquisitions since 2017, as a collective, have demonstrated significant improvement in sepsis treatment. These hospitals have shown measured improvement in average time for completion of early ER treatment bundle, the percentage of patients receiving antibiotics within one hour for septic shock, and an overall increase in septic shock survival.

Further, our Emergency Departments’ treatment of ischemic stroke improved as measured by the median door to needle time for administrations of tPA. The delivery of ICU care improved with a reduction in the duration of mechanical ventilation and improvement of daily ventilator weaning protocols (improved daily spontaneous awake and breathing trials). In our recently acquired facilities, we observed an increase in ICU survival (O:E, improved from 1.0 to 0.8; where 1.0 is average or expected and below 1 is better than expected) and a reduction in ICU complications (O:E, improved from 0.96 to 0.58).

7. Improving the Level and Scope of Care

7.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on growing NHRMC clinical service lines based upon Respondent’s experience at other affiliated or partnered hospitals.

HCA has demonstrated a commitment to grow and enhance clinical service lines in previously affiliated hospitals, and will develop and enhance NHRMC’s current service line offerings in a similar fashion. Two examples of our experience with service line development at recently affiliated hospitals can be seen in our investments at both Mission Health in Asheville, NC and Memorial Health in Savannah, GA.

As part of our acquisition of Mission Health in January 2019, we have made significant capital commitments to enhance clinical programs and increase patient access to essential services. Those commitments are reflected below.
1. HCA Healthcare will build a 120-bed inpatient behavioral health hospital in Asheville. (approximately $69 million)

2. HCA Healthcare will build a new replacement hospital for Angel Medical Center in Franklin, N.C. (approximately $65 million)

3. HCA Healthcare will complete the new state-of-the-art Mission Hospital for Advanced Medicine in Asheville

4. In addition to the new behavioral health hospital, replacement hospital and new tower, HCA Healthcare will invest $232 million in capital in Mission Health facilities

Since the acquisition of Memorial Health in Savannah, GA, HCA has executed a number of upgrades and improvements to clinical service lines, as reflected below.

- Increased investment in the Memorial Health Dwaine & Cynthia Willett Children’s Hospital of Savannah to $66 million. The facility is scheduled to open in late 2020 and will be the only freestanding children’s hospital in southeast Georgia

- Invested $28 million to build-out the 3rd and 4th floors of the Heart & Vascular Institute to provide care for our patients in a 26-bed medical ICU and a 30-bed cardiac unit

- Completely renovated the 26-bed adult behavioral health inpatient unit and expanded service to include an intensive outpatient program

- Recruited 40 new physicians in several specialties including interventional pulmonology, cardiothoracic surgery, pediatric hematology/oncology, and pediatric nephrology

- Added new technology including two robotic surgical systems in our minimally invasive surgery center, an additional linear accelerator for cancer treatment and imaging upgrades: CT and MRI

- Added 10 NICU beds

- Launched cardiovascular care patient management

- Launched new services including a procedure for AFib patients to reduce the risk of stroke (left atrial appendage closure), mechanical thrombectomy for stroke patients, and minimally invasive TIF procedure (transoral incisionless fundoplication) for gastroesophageal reflux disease (“GERD”)

In order to determine opportunities for service line growth, each HCA market and facility develop its own strategic plan in alignment with organizational objectives on an annual basis, uniquely tailored to its competitive environment. The enterprise strategic initiatives are broadly implemented at the local level and adopted by local management, while others are modified, as appropriate, based on applicability to local dynamics.
7.1.1. How would Respondent approach service-line planning for NHRMC?

HCA Healthcare is committed to the growth of clinical service lines and improved clinical outcomes, facilitated by utilizing its experience and investments in clinical research and data. HCA has made significant investments in both people and technology to utilize the immense amount of data it captures across the enterprise to inform the clinical decision-making process.

HCA Healthcare has seen positive impacts from the use of its internal data to improve nursing and physician efficiency and improve patient quality and outcomes. We believe that better safety, better quality and better efficiencies equate to better care. HCA uses this foundational knowledge to inform enterprise wide strategies for service line growth.

Each market develops annual business plans focused on the service line initiatives market leaders believe are key to achieving long-term sustainable growth for their community. To ensure consistency across the organization and align with HCA’s overarching strategy, the strategic plans for each of our markets focus on a core set of tactics implemented locally. If affiliated with HCA, NHRMC would develop its own business plans, including service line development, with the guidance and expertise of the aligned service lines across the HCA enterprise.

7.1.2. What commitments would Respondent make to enhancing NHRMC’s service lines?

In collaboration with NHRMC, we would focus on enhancing specific service lines that we believe have an opportunity to better serve the NHRMC community. HCA plans to utilize our rigorous strategic planning process that utilizes our advanced data analytics platform to enhance any priority service lines, including behavioral health, cancer, cardiovascular, orthopedics and robotic surgery, women’s and children’s, and trauma. Opportunities for NHRMC to lean into HCA’s experience in these service lines include:

**Behavioral Health**

HCA Healthcare is committed to providing high quality, comprehensive behavioral healthcare in the communities we serve. With services at 70 locations and over 3,000 acute care beds across more than 17 states, HCA Healthcare Behavioral Health Services is one of the fastest
growing service lines within HCA Healthcare and one of the nation’s largest acute care psychiatric providers. With the recent acquisition of Mission Health in North Carolina, HCA Healthcare committed to building a new 120-bed Behavioral Health facility in Asheville. Along the coast in Myrtle Beach, we recently opened a 20-bed freestanding Behavioral Health unit, with plans for future expansion. Likewise, in Savannah, Memorial Health University Medical Center recently completed a renovation of their 26-bed inpatient unit.

In addition to the Behavioral Health facilities in Asheville, Myrtle Beach, and Savannah, *HCA Healthcare has invested heavily in remote behavioral health services and telehealth*. In fact, remote clinical staff and psychiatrists, through best-in-class technology, provide behavioral health assessments and psychiatric evaluations to treat patients in their emergency rooms. These patients receive the same attention and high-quality care as is received by those patients treated by onsite providers. In 2018, HCA Healthcare completed the development of a stand-alone telehealth physician practice providing services to HCA Healthcare facilities and outreach partners. This program will initially focus on tele-psychiatry and support HCA Healthcare and affiliate Emergency Rooms and HCA Healthcare Behavioral Health units.

**Cancer**

Across HCA Healthcare, we have 1.6 million patient encounters annually and see more than 120,000 newly diagnosed patients each year. Our oncology services are led by Sarah Cannon, the Cancer Institute of HCA Healthcare. Most recently, Sarah Cannon’s President of Clinical Operations and Chief Medical Officer, Dr. Skip Burris, has been recognized as a global thought leader, serving as the 2019-2020 president of the world’s largest oncology organization, the American Society of Clinical Oncology.

Through the enhanced capabilities and service levels offered at the Zimmer Cancer Center, NHRMC has developed the infrastructure to deliver cancer care to patients in a setting within their community. Through an HCA Healthcare affiliation, NHRMC would be able to tap into the nationally recognized expertise and proficiencies provided through HCA Healthcare’s Sarah Cannon Research Institute.
Sarah Cannon has dedicated more than 25 years to advancing cancer therapies through community-based clinical trials. Sarah Cannon has conducted more than 400 first-in-human clinical trials to date, demonstrating significant expertise in one of the most pivotal areas of cancer drug development. Over the last decade, Sarah Cannon has been a clinical trial leader in the vast majority (more than 70%) of approved cancer therapies available to patients today.

Additionally, Sarah Cannon is the leading network performing transplants and cellular therapies through 8 FACT/JACIE Accredited programs across the U.S. and UK. To date, the network is on the forefront of cellular therapy research, investigating novel options such as CAR T-Cell therapy and CRISPR gene-editing approaches.

With a commitment to clinical excellence and outcomes, our network of programs bring together surgical, radiation, medical oncology specialists to deliver comprehensive and coordinated patient care. These unique programs are supported by the operations of Sarah Cannon Research Institute, which include:

- Oncology services in 23 key markets across HCA Healthcare,
- 96 locations offering comprehensive cancer services to patients close to home,
- more than 200 nurse navigators who have helped more than 25,000 patients through every step of the cancer journey,
- the leading network performing transplants and cellular therapies through 8 FACT/JACIE Accredited programs across the U.S. and UK,
• 70 locations offering patient-centered cancer clinical trials across the U.S. and UK, and

• our research programs, eight of which are specialized Drug Development Units conducting clinical trials at the earliest phases of research with patients facing cancer.

Further, Sarah Cannon Research Institute has more than 200 cancer-focused nurse navigators who have helped more than 25,000 patients across all of our communities. Ensuring patients have individualized treatment options unique to the genetic profile of their cancer, Sarah Cannon Research Institute has a personalized medicine program that utilizes leading-edge technology to guide diagnosis and treatment decisions.

HCA’s oncology service line works with our local markets to develop, expand, and improve oncology services, including physician joint ventures and partnerships. By treating 120,000 newly diagnosed cancer patients per year, HCA Healthcare hospitals perform over 1,200 annual transplants and have the largest blood cancer transplant network in the US.

**Cardiovascular**

Drawing on HCA Healthcare’s nationwide cardiac network and the capabilities as described below, we would look to build on the impressive quality and clinical offerings within New Hanover Regional Heart Center.

HCA Healthcare’s enterprise cardiovascular service line utilizes our size and scale in the areas of clinical excellence, operational efficiency, physician alignment and growth in hospital and ambulatory settings.

Essential to its aspiration to serve as a national leader in cardiovascular services, HCA Healthcare has committed to a research agenda collaborating with nationally recognized physicians and clinical organizations to drive advancements in cardiovascular care. The service line is aligned with HCA’s Sarah Cannon Research Institute, a global strategic research organization focusing on advancing therapies for oncology and cardiovascular patients. The cardiovascular network involves more than 700 physicians across the US and UK.

Care Assure is a proprietary program that provides improved care coordination and delivery via dedicated Nurse Navigators and Patient Care Coordinators to ensure patients receive ongoing disease monitoring, diagnostic testing, and clinically indicated interventions upon discharge from the initial acute care episode in which they were identified. Each year, Care Assure is initiated approximately 1 million times, improving patient experience and loyalty through high-quality outreach and communication for over 200,000 patients across 155 HCA Healthcare hospitals. Care Assure positively affects patients, physicians, and hospitals by ensuring patients receive the care they need, raising rates of evidence-based care, increasing quality-adjusted life years, speeding up time to treatment and boosting rates of attended appointments.

**Orthopedics and Robotic Surgery**
HCA Healthcare manages the largest orthopedics program in the world. In 2018, there were over 200,000 elective surgical orthopedics and spine cases across 166 hospitals. One-third of the program is dedicated to joint replacements, with over 80,000 elective joint replacements. Our extensive practice has allowed us to build the world's largest orthopedic surgery database, which we make available to all our orthopedic surgeons for quality improvement and research. There is a dedicated development, analytics and operations team whose focus is the advancement of a care pathway tool, designed by a leadership group of affiliated surgeons, leveraging our enterprise database. This tool uses clinical, functional, demographic, and acute care data to provide our orthopedic surgeons with analytics to assist in care pathway decisions. We believe this tool will be a critical differentiator in the growing value-based care environment for musculoskeletal care.

Additionally, HCA Healthcare is the largest provider of robotic-assisted surgery in the world with 35 Hip/Knee Replacement robots and over 25 Spine robots. We have 13 national leaders in Hip/Knee and Spine robotics who provide education and surgeon development resources for our affiliated surgeons. In 2019, they will provide surgical education and development to over 150 of our affiliated surgeons.

As part of HCA Healthcare, New Hanover Regional Medical Center surgeons would have access to these resources and physicians would have the opportunity to train with fellow surgeons using our robotics technologies in Myrtle Beach, Charleston, Savannah and Asheville.

**Women’s and Children’s**

HCA Healthcare delivers a quarter-million babies yearly in 110 hospitals, representing nearly 6 percent of all U.S. newborns. Through physicians, clinicians, and administrators, HCA Healthcare’s Neonatal Clinical Steering Committee and the Perinatal Clinical Work Group have developed a “bundle” of standardized, evidence-based care practices related to high-risk obstetrical conditions. Focus areas include fetal monitoring, the safe use of oxytocin and misoprostol, and DVT prophylaxis in all women undergoing C-sections. These activities have yielded a maternal morbidity rate of approximately 6.5 per 100,000 births (compared to the national average of 13), a 75% reduction in malpractice-claim costs, and over $68 million in system-wide annual savings.

The Women’s and Children’s service line team has developed a significant repertoire of tools and resources to support and develop their programs across the enterprise. To support the initiatives at Betty H. Cameron Women’s & Children’s Hospital, HCA Healthcare would be able to provide national and regional expertise, pathways and playbooks to further elevate maternal and pediatric care in southeastern North Carolina.

Our closest comprehensive Children’s Hospital to New Hanover Regional Medical Center is in Savannah, GA on the campus of Memorial Health University Medical Center.

**Trauma**
Currently, all of the HCA Healthcare hospitals along the US-17 Coastal Highway have Level I or II trauma programs. Additionally, Mission Health provides Level II trauma services within the western North Carolina region, with near-term plans to enhance the programmatic trauma capabilities within the flagship hospital.

Overall, with 54 Level I, II, or III trauma programs, over 4% of the trauma programs in the U.S. are operated within HCA Healthcare’s trauma network. HCA Healthcare treated over 43,000 trauma patients in 2015 and maintains a mortality rate of 3.2%, below the national benchmark of 4.5%. HCA has developed an enterprise-wide Trauma Data Center, including detailed and informative data on over 141,000 trauma patients, adding over 100 individual patient records daily.

HCA Healthcare’s Trauma Service Line possesses tremendous depth in clinical expertise and analytical and reporting capabilities, serving as a valuable resource to both existing and aspiring HCA Healthcare trauma programs.

7.1.3. Will the Respondent make a commitment not to downsize or discontinue any existing NHRMC service line unless otherwise decided by the NHRMC Board? If so, for how long?

For a period of 10 years following the closing of the Proposed Transaction, HCA would commit not to discontinue certain core services of NHRMC, the scope of which would be mutually agreed by the parties, unless: (1) the Community Advisory Board consents; or (2) a force majeure event (including a significant change in the manner or amount of reimbursement paid to healthcare service providers) occurs that makes providing such service impossible or commercially unreasonable.

After the 10th anniversary of the closing of the Proposed Transaction, HCA would commit not to discontinue those core services except in the circumstances described in the paragraph above or certain other contingencies occur that would make the provision of such services no longer feasible.

7.1.4. How would Respondent approach the distribution and location of services in the Service Area? Describe the Respondent’s philosophy around what services should be available throughout the Service Area vs. what services should be centralized.

HCA, in collaboration with NHRMC leaders, would develop a comprehensive understanding of the healthcare needs of the local service area, including current service offerings and potential unaddressed needs in order to appropriately distribute services across the Wilmington community and surrounding region.

HCA operates in more than 40 markets across the country. Each one of our communities is unique and our strategic approach is determined by the needs of the local market. We are experienced in operating distributed service models. At NHRMC, we would use this experience tailoring strategies to fit each unique market by analyzing service line trends using our data analytics tools and demographic data to determine appropriate site locations.
7.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to improve the timing in securing patient transfers for quaternary services not offered by NHRMC.

HCA would evaluate historic transfers from NHRMC to identify which medical conditions are being transferred from NHRMC. We would then consider the addition of those services based on demand within the community. We would also continue to manage existing transfer relationships and look to enhance transfer capabilities, as needed.

7.2.1. Provide detail on how referrals and transfers for quaternary services are coordinated with hospitals and health systems that have recently affiliated or partnered with the Respondent.

After entering an affiliation with HCA, NHRMC’s administrative and clinical leadership teams will work with the Transfer Center leadership team to gain a detailed understanding of services offered and to educate the teams on how the HCA Transfer Center operates.

Once there is an understanding of the clinical services available at the hospital and health system, the HCA Transfer Center leadership teams work with the hospital and health system leaders to develop agreed-upon processes for managing inbound and outbound transfers. Once these guidelines are established, the Transfer Center staff are educated on the processes to ensure consistency.

The HCA Transfer Center leadership teams will coordinate efforts with hospital and health system leaders to ensure the physicians are aware of the clinical capabilities of all the facilities in the system. For patients who require quaternary care that is not provided at the hospital, the physicians and clinical team members are educated to utilize the HCA Transfer Center to facilitate expedited acceptance of the patient at a hospital that provides the needed service.

The Transfer Center leadership team will also work with the hospital and health system leaders to establish processes to expedite acceptance of patients who are being referred to the hospital and health system for care. The processes for acceptance are developed in collaboration with the administrative and clinical leaders of the facilities. The HCA Transfer Center teams are also well versed on regulatory elements such as the Emergency Medical Treatment and Active Labor Act (“EMTALA”) and are proficient at providing real-time guidance and support to the hospital and health system leaders to ensure compliance with all regulatory requirements associated with transfers.

The Transfer Center leadership team will establish regularly scheduled operating reviews with each HCA hospital to ensure maintenance of optimal clinical and quality measures in addition to compliance with regulatory requirements. The HCA Transfer Center will establish a real-time escalation process to address any transfer related concern with the administrators of the facilities.

7.3. Describe what impact, if any, the Respondent’s Proposed Strategic Partnership would have on NHRMC EMS and critical care transport services.
HCA owns and operates several EMS agencies across the organization. HCA has experience operating EMS businesses and, in certain cases, outsources the operations of owned EMS businesses to third-party entities. HCA can bring expertise in this area to NHRMC as we have experience in both ground and air ambulance. HCA would work with NHRMC to determine the strategic direction for an EMS and critical care transport program. From a public safety perspective, we have the competency and experience in this area to support existing programs or create a strategy for this program.

7.4. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on developing innovative care solutions and technology that further supports service line growth at NHRMC.

As part of HCA’s network, NHRMC will be able to take advantage of the scale and size of HCA’s resources and innovations that can further enhance care delivery. This scale has created a unique opportunity for HCA to partner with medical technology companies and other innovative organizations and utilize those relationships to provide new care solutions and technologies to our patient. Examples include:

- HCA’s partnership with GE Medical for co-development of several pre-commercialization products. In this partnership, HCA has had the benefit to co-develop and define use cases of products in order to benefit patient care. Additionally, HCA has access to these new technologies first. For example, HCA is piloting Mural with GE, which is an FDA approved technology that sits within the Fetal Heart Monitoring equipment and integrates with EMRs. It has a clinical trigger component that escalates through workflow to the nursing staff and OB physicians.

- Outset Medical working with HCA to pilot Tablo Dialysis Technology, which is a disruptive technology to expand and facilitate dialysis services in the current inpatient setting and utilize to provide an outpatient solution. Provides improved patient care compliance and management; reduce avoidable readmissions and ER visits.

- HCA’s partnership with Edwards on an initiative for enhanced surgical recovery (“ESR”) that utilizes intra-operative predictive algorithms to accelerate patient recovery.

- HCA’s partnership with InsightTech regarding Stereotactic Radiology for Neurosurgery treatment for mood disorders and brain tumors.

7.4.1. Discuss any new medical technologies that could be rolled-out at NHRMC.

NHRMC would have access to many of the new medical technologies available within the HCA network. As one example, HCA, in partnership with GE, has co-developed a new digital telemetry monitoring system, HeART, that allows better triage and dispatch to the appropriate resource for response and resolution. This system generates a unique data stream that no other health system has had access to thus far. This technology is already in place at 8 hospitals in Florida and would be available to NHRMC.
7.4.2. Discuss any genomic medicine programs offered by the Respondent and how such programs could be introduced at NHRMC to advance NHRMC’s current efforts to expand this service area.

HCA has programs for genomic medicine in both the pediatric and oncologic subspecialties that would extend to NHRMC. Additionally, HCA would welcome the opportunity to learn more about NHRMC’s current efforts to potentially scale across our organization.

For pediatrics, we work with our employed geneticists and genetic counselors to support appropriate testing, counseling and management of genetic disorders. We have laboratory services within HCA that provide genetic testing and also work with specialty reference labs that provide high quality, fast turnaround times to support diagnosing complex disorders in the NICU. We are also exploring relationships with laboratories that provide rapid whole genome testing for appropriate cases in the NICU. At Mission Health, HCA has a genomic medicine clinic that employs both geneticists and genetic counselors. HCA is currently in the process of building a telemedicine program to utilize these experts across HCA. These experts are among few physicians who are skilled at determining a plan of patient care from specialty genetic testing.

For oncology genetic programs, HCA’s Sarah Cannon Research Institute utilizes evidence based genetic testing algorithms to support our pathologists and oncologists. Sarah Cannon Research Institute provides oncology services and access to cutting edge therapies for complex oncology diseases. We work closely with our private practice and employed pathology groups to have integrated diagnostic services. We are also in the process of expanding molecular and genetic testing services for oncology testing within IRL, our HCA reference laboratory in Florida.

7.4.3. Discuss what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s Innovation Center.

NHRMC’s Innovation Center would be embraced and supported by HCA. HCA is purposefully innovative and constantly evaluating new solutions, technology, processes, and vendors. Similar to the NHRMC Innovation Center, HCA has a collaborative relationship with Nashville’s Entrepreneur Center. We would look forward to a collaborative exchange of ideas and innovative approaches.

Each of HCA’s facilities is effectively an innovation center that generates and inventories ideas. HCA’s Strategy and Innovation group, in partnership with leadership throughout the organization, keeps in close contact with each facility across the enterprise to capture solutions that align with global strategic goals and then work to scale those solutions across the organization as quickly as possible. Our innovation team provides a vital role in securing the forward momentum of innovation across our enterprise by:

- Removing barriers by securing funding, project visibility and senior leadership sponsorship. Since projects originate within local markets, where leaders influence budgets, only about 50% need funding from the innovation function.
• Supporting up to 15 to 20 projects per year: In addition to executive buy-in and funding support, projects receive assistance in scoping, pilot site selection, and legal and contracting matters.

Most of the team’s work constitutes core or adjacent innovation. Given HCA’s size, identifying and scaling solutions yields substantial value, making that the focus over commercialization.

As an affiliate, HCA will offer innovation resources to NHRMC immediately upon an affiliation and will support the work generated through NHRMC’s existing Innovation Center.

7.5. **Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to further clinical research or participate in grant funding.**

HCA’s health services research function is present at both local and national levels with assistance from other HCA entities such as our Clinical Services Group (“CSG”), our Patient Safety Science group, health analytic capabilities, and/or our newly formed National Center for Trauma and Acute Care Surgery Research. Many of these research opportunities are completed in affiliation with major academic and government partners (e.g., Harvard Pilgrim Healthcare, National Institute of Health, Centers for Disease Control etc.). Our clinical data warehouse has pooled national data for traditional data research, outcomes research, and more sophisticated artificial intelligence development.

HCA also has national support for the research endeavors of its Graduate Medical Education programs which allows for larger scale resident and nursing research to be conducted. Our recent studies have been published in the New England Journal of Medicine, The Lancet, JAMA, and other widely read journals. We have also started our own peer-reviewed medical journal, the HCA Healthcare Journal of Medicine, sponsored by our center for Graduate Medical Education. In many cases we have more abstracts accepted at national scientific meetings than the most prestigious academic medical centers. Most recently, at a major scientific congress, over 20% of the accepted abstracts were from HCA Healthcare member sites.

7.5.1. **Discuss any clinical trials or other research programs that could be introduced at NHRMC.**

HCA Healthcare and its affiliated entities engage in thousands of clinical studies per year. For clinical trials, we have relationships with most major sponsors for the placement of both Phase 1-4 clinical trials and more non-traditional trial designs, decentralized trials, and Real-World Evidence alternatives.

Sarah Cannon Research Institute brings the most cutting-edge oncology trial capabilities (such as CAR-T and CRISPR studies) to our communities as well as full Phase 1 oncology unit capabilities where we have conducted over 400 first-in-man oncology studies. These and other clinical trials that are related to a wide variety of therapeutic areas conducted at our facilities can take advantage of our technology stack that supports the workflow of clinical research coordinators and physician investigators. In addition, these trials utilize our in-house
training and experienced contract analysts that have a deep understanding of the need for quick turnaround time in order to maintain a competitive advantage.

Our network of trial sites is also a resource for support tools and mentoring so that any site does not have to start from scratch when they need a particular tool or general advice.

7.5.2. Provide detail on how clinical research and/or access to grants was impacted and the type, scope and depth of current research programs/grant participation at hospitals and health systems that have recently affiliated or partnered with the Respondent.

Health systems that have adequate grant management infrastructure can continue to receive grants under HCA Healthcare ownership. From our past experience, organizations that have provided grants to hospitals with whom we have affiliated have been supportive of the hospitals decision to partner with HCA, even when switching from a not-for-profit to a for-profit entity. On certain occasions, there are donor restricted grants that require the recipient be a not-for-profit organization. In those situations, we are generally able to continue the research through arrangements with a partnering not-for-profit entity, such as a local foundation.

8. **Ensuring Long-Term Financial Security**

8.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on ensuring future access to capital for growth at NHRMC. Also address how and whether Respondent’s Proposed Strategic Partnership will facilitate capitalization and growth of facilities and other sites of service across the Service Area, including beyond New Hanover County, understanding the current debt limitations for NHRMC that preclude this regional healthcare system from borrowing to build outside of the County.

As an affiliate of HCA, NHRMC would gain the benefit of being a part of a stable, well-run, profitable and well-capitalized organization. HCA Healthcare is the largest hospital operator in the country and has unmatched experience in planning, developing, funding, operating, and managing hospitals. HCA Healthcare consistently delivers unmatched financial results that has allowed generous reinvestment in its facilities. Capital projects, both within as well as outside of New Hanover County, would be identified in collaboration with NHRMC management to best serve the needs of the community.

HCA Healthcare has invested approximately $16 billion nationally over the past five years in capital expenditures to expand, revitalize, and improve the services provided at our facilities, as well as expand IT systems company-wide. In 2019, HCA invested approximately $4.2 billion in capital expenditures across the organization.

HCA Healthcare’s capital allocation focuses on ensuring that both routine operational needs and growth opportunities are adequately funded. The process of allocating capital
expenditures is based on many factors, ranging from basic maintenance needs to expected growth and strategic opportunities in and around our markets. Managing major capital initiatives and projects centrally, while affording flexibility to individual facilities and markets to address routine capital issues ensures appropriate use of resources focused on providing the best care for the communities we serve.

We are grateful for the historical financial strength and stability of our company, which has allowed us to access significant amounts of capital through both the public debt and equity markets to facilitate future growth. More details about our capital structure can be found in our public filings with the SEC.

In addition to our ability to access the debt and equity markets, our operating entities generate a significant amount of cash flow on a recurring basis that is available to be reinvested into our operations. For example, for the twelve months ended December 31, 2019, HCA generated $7.6 billion of cash flow from operating activities.

8.1.1. Describe Respondent’s current capital capacity and its ability to access capital.

As noted above, HCA Healthcare delivers strong financial results that have allowed for generous reinvestment in its facilities. Capital is primarily funded by HCA Healthcare’s cash flow from operations. In 2019, HCA invested approximately $4.2 billion in capital with cash provided by operations.

8.1.2. Describe the Respondent’s budgeting, capital budgeting and capital allocation processes.

As noted above, HCA’s capital allocation process focuses on ensuring that both routine operational needs and growth opportunities are each adequately funded. The process of allocating capital expenditures is based on many factors, ranging from basic maintenance needs to expected growth opportunities. Managing major capital initiatives and projects centrally, while affording flexibility to individual facilities and markets to address routine capital issues, ensures appropriate use of resources focused on providing the best care for the communities we serve.

The primary elements of HCA’s operating capital allocation process include:

- **Routine (i.e., Maintenance) Capital** – HCA identifies an annual allotment to each facility designed to help cover routine capital expenditures expected during the normal course of operations. Routine capital is provided annually and based on a standardized allocation process centered on each operating group’s relative size and complexity. This allocation is then managed at each Division and Hospital level.

- **Recapitalization (Supplemental Routine)** – Throughout the year, hospitals make additional capital requests through a prioritization database. These projects typically represent larger scale growth, service line specific (surgical, nursing, robotics, etc.), and/or maintenance projects (i.e., $500K - $5M) that are too large to be covered by
the annual routine allocation. Periodically throughout the year, these projects are prioritized at the Division/Group, and ultimately Enterprise level for additional funding.

- **Construction** – Separate from the above processes, HCA plans larger-scale expansion/renovation projects (i.e., projects typically greater than $5M). These projects are prioritized based on capacity needs, growth/strategic opportunity, financial returns, among other factors. Quarterly HCA leadership management round-table meetings help ensure that the highest priorities are addressed in the context of the company’s overall capital budget.

- **IT&S** – HCA identifies an annual target specific to IT&S spending based on current technology initiatives and needs.

- **Corporate-Sponsored** – HCA allocates additional capital to ensure other initiative-based needs are met. Examples include ADA renovation, medical office building improvement capital, engineering, among other projects. Each initiative is sized and prioritized prior to funding.

### 8.1.3. Discuss how capital is advanced to Respondent-affiliated or partnered hospitals and health systems.

As described in our response to 8.1.2., capital is advanced to HCA Healthcare’s hospitals and health systems through several processes, including Routine, Recapitalization, Construction, IT&S, and Corporate-Sponsored.

### 8.1.4. Describe Respondent’s obligated group. Would NHRMC be made a part of the obligated group of Respondent?

HCA does not have an obligated group. As an affiliate of HCA, NHRMC would receive the benefit of being a part of a large, stable, profitable and well-capitalized organization that can readily access the debt or equity markets. HCA manages its capital structure at the corporate level and certain of its debt instruments are secured by certain HCA assets. A more thorough description of our debt structure can be found in our public filings.

### 8.1.5. Discuss how Respondent’s existing financial policies and practices would impact NHRMC in the short-term (1-5 years post-affiliation or partnership) and the long-term.

Through our due diligence process, we will determine what impact, if any, HCA’s existing financial policies and practices would have upon NHRMC. Based upon the level of information reviewed to date, it would be premature to ascertain the potential impact, if any.

### 8.1.6. Does the Respondent anticipate any issues with obtaining capital necessary to fulfill any financial obligations connected to the Proposed Strategic Partnership?

HCA Healthcare does not anticipate any issues with obtaining capital necessary to fulfill our financial obligations.
8.1.7. Will the Respondent guarantee or otherwise backstop all of the existing long-term debt of NHRMC?

HCA intends to acquire the assets associated with NHRMC. Such a transaction would be on a cash-free, debt-free basis, and NHRMC’s existing debt would not be assumed by HCA; rather, NHRMC’s existing long-term debt would be defeased in connection with the closing of the Proposed Transaction.

8.1.8. NHRMC’s capital budgets and other estimates of long-term strategic capital have been provided to Respondent in the Data Room. Will the Respondent commit to fulfilling these capital investments by ensuring NHRMC’s future access to capital?

HCA has reviewed NHRMC’s capital budgets and other estimates of long-term strategic capital. In addition to our cash purchase price that would be paid at the closing of the Proposed Transaction, HCA would commit to spend $370 million in capital expenditures in the five-year period following the closing.

8.1.9. Discuss the Respondent’s avenues of access to financial and capital structures, and how they might apply and help structure NHRMC capital needs.

Capital expenditures of HCA Healthcare’s hospitals are funded through its cash flow from operations.

The following information illustrates HCA’s ability to provide the necessary capital.

- Our operating entities generate a significant amount of cash flow on a recurring basis that is available to be reinvested into our operations. For the twelve months ended December 31, 2019, HCA generated $7.6 billion of cash flow from operating activities.

- Based upon our financial position on December 31, 2019, we had the ability to draw over $3 billion pursuant to the revolving credit facilities that are currently available to HCA.

- HCA evaluates the debt and equity markets on a regular basis to maximize upon the efficiency of its capital structure. For example, on February 11, 2020, HCA announced that it plans to refinance $1.0 billion of its long-term debt obligations.

NHRMC capital needs are expected to be financed with cash flow from operations. If needed, HCA has ready access to its revolving credit facilities to ensure that adequate funds will be available at a reasonable cost. At the discretion of HCA, financing for part of the cost of the project may be obtained from banks or publicly issued securities.

8.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on any existing cash and investments held by NHRMC at the time of affiliation or partnership.
A transaction with HCA would be a cash-free, debt-free transaction. The Sellers would retain all of its cash and investments.

8.2.1. Does the Respondent commit to allowing existing cash and investments to be utilized by NHRMC as directed by the NHRMC Board for capital and strategic investment in the Service Area and/or allowing the distribution of existing cash to New Hanover County given its ownership of the healthcare system operated by NHRMC?

As discussed in our response to 8.2, the Sellers would retain its cash and investments following the closing. As a result, the Sellers would be entitled to use those funds to support the community.

Additionally and as stated above, HCA is offering a five-year capital commitment of $370 million for investments that benefit NHRMC and the communities it serves.

8.3. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on continuing and enhancing the NHRMC Foundation (the “Foundation”).

The NHRMC Foundation would be retained by the Sellers and would not be included in a transaction with HCA. The continuation and enhancement of the NHRMC Foundation would be a decision made by the Sellers.

8.3.1. Does the Respondent offer corporate development and other services that could enhance the Foundation’s operations and fund-raising efforts?

As an investor-owned company, HCA Healthcare does not participate in fundraising efforts for the benefit of HCA or its hospital operations. Any charitable giving within the community is directed to existing not-for-profit organizations or to the foundation formed from the proceeds of the Proposed Transaction.

8.3.2. Describe the Respondent’s commitment for the Foundation to remain a sole supporting organization of NHRMC and for any existing Foundation funds, whether donor restricted or not, to remain allocated for the benefit of NHRMC.

Following the transaction and upon conversion to a for-profit entity, funding of the hospital’s operating expenses would no longer be supported by the Foundation. Rather, the Foundation may utilize its funds to support the needs of the community.

8.4. Will the Respondent make a commitment to maintain NHRMC’s material payer contracts and agreements without disruption?

HCA Healthcare has agreements with all of the major payers and would evaluate the terms of existing NHRMC payer contracts and agreements during the due diligence phase. Upon thorough review and analysis, HCA would develop a managed care strategy that would aim to minimize any potential disruption.
8.5. Describe what synergies, if any, NHRMC may have in accessing Respondent’s corporate services and programs based upon the Proposed Strategic Partnership.

HCA Healthcare’s unique advantage over stand-alone and regional healthcare providers is our ability to utilize our network of facilities nationally for improving current operations, clinical outcomes, quality of care, and patient experience. Using standardized measurement tools, extensive analytics, and knowledge management repositories, HCA hospitals can identify and adopt the practices of high performing peer organizations on a wide range of functions and processes. We have used this approach to enhance clinical outcomes, deliver system efficiencies, integrate physicians, grow our strategies and engage employees, among others.

In addition, through the sharing of best practices, HCA has been able to utilize its scale for a range of shared services, which has allowed HCA to reduce both its fixed and marginal costs, maintain more resources by the bedside, and improve performance in many areas. Building upon the success and expertise of consolidated revenue cycle operations and supply chain logistics, HCA Healthcare has expanded into other areas to explore the feasibility of implementing a shared services model such as IT, health information management/coding, payroll, purchasing, A/P and credentialing. We also deploy performance improvement organizational resources in each of our regions to assist our facilities with improving patient care and operational efficiencies.

Additional information on shared services offered by HCA Healthcare is detailed in Background Information on Respondent, section 7.

8.5.1. Discuss Respondent’s approach for integrating administrative and corporate or other shared service programs at NHRMC.

Upon affiliating with NHRMC, HCA would optimize the administrative and corporate or other shared services programs at NHRMC. The goal of this effort is to enable NHRMC employees to focus on care delivery, instead of some of the distracting administrative burdens.

In order to support the integration of new facilities, HCA has created an Integration Management Office (“IMO”). The IMO follows a structured and deliberate process to identify and appropriately pace the integration efforts of administrative and corporate shared services. The IMO tracks over 60 different functional areas through the integration process and, as a centralized corporate function, the IMO is able to utilize best practices from prior acquisitions. To this end, the IMO has created playbooks to enable knowledge transfer and standardization.

The IMO initiates the integration process at the time a purchase agreement is signed and facilitates the process through the acquisition and for one year after the transaction closes. The IMO identifies functional integration areas and works with the responsible parties to determine the appropriate work effort and integration activities to ensure that the functional areas are ready to go at the time of the closing of the Proposed Transaction. The IMO provides oversight which is critical because of the interdependencies of the integration work.
The IMO utilizes a proprietary technology platform that facilitates communication and collaboration. The platform also enables the IMO to manage the tracking and reporting of progress. With the constant communication including weekly calls with the integration functional areas and leaders throughout the organization, the IMO serves as the nexus of the integration efforts.

8.5.2. How does Respondent allocate corporate overhead to its affiliated or partnered hospitals and health systems?

HCA’s corporate shared services are designed to take advantage of our scale and create efficiencies for our facilities, and each of our hospitals and health systems receives a cost allocation for the services it utilizes. Shared services costs are allocated to our hospitals based on a proportional share using an appropriate metric for each service. These allocations may be based upon operating metrics, such as facility revenue, FTEs, square footage, or other operating indicators as appropriate.

8.5.3. Discuss how Respondent proposes to introduce corporate overhead charges to NHRMC.

As an affiliate of HCA, NHRMC would receive corporate overhead charges similar to any other HCA facility. The methodology for determining these corporate overhead charges varies based upon the type of corporate overhead service that is provided to each HCA facility.

8.6. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on NHRMC’s ability to access grant-funding.

An affiliation with HCA would not preclude the hospital from accessing grant funding, provided that for-profit entities are eligible to participate in those grant programs.

8.6.1. Describe what impact, if any, the Respondent’s Proposed Strategic Partnership would have on existing grant-funded programs and services and other funding sources tied to NHRMC’s tax-exempt status that rely on NHRMC remaining a non-profit organization.

Upon completing a transaction with HCA, NHRMC would become a taxable entity. Following this conversion, existing grants that are contingent upon NHRMC’s non-profit tax status would no longer be available. HCA does not require grant funding to support its hospital’s operations.

By maintaining its non-profit status, the Foundation may be eligible to participate in those grant programs to support existing programs and related services.

8.6.2. Should the Proposed Strategic Partnership alter NHRMC’s ability to access funding tied to NHRMC’s tax-exempt status, provide detail on alternate forms of funding that would be available to replace current funding.
As an affiliate with HCA, NHRMC would undergo the conversion to a for-profit entity. Therefore, any funding tied to NHRMC’s current tax status would no longer be available. As mentioned in our responses to 1.1, 8.1, and 8.1.8, HCA generates capital available for reinvestment through cash flow from operating activities. HCA’s capital commitment to NHRMC reinforces our belief that reinvestment in the community is the foundation for a long and sustainable future.

As discussed in 8.6.1, the Foundation, as a not-for-profit entity, could access funds to continue to support existing tax-exempt programs and related services.

9. **Strategic Positioning**

9.1. **Describe what strategic priorities, if any, for southeastern North Carolina the Respondent maintains and how a strategic relationship with NHRMC fits into the Respondent’s overarching strategy based upon the Proposed Strategic Partnership.**

HCA Healthcare’s strategic priority for Wilmington and the surrounding region would be to work with NHRMC to support its growth as a regional tertiary referral center focused on meeting the needs of Wilmington and surrounding counties including New Hanover, Brunswick, Pender, Bladen, Columbus, Duplin and Onslow.

As depicted in the map below, HCA Healthcare has an established footprint along the eastern coast that provides excellence in clinical care to those communities. An alignment with NHRMC would further enhance our existing presence along this coastal highway, and likewise would allow NHRMC to be a part of a larger delivery network.
As in most HCA Healthcare markets, we recognize the need to differentiate a regional health system from its competitors.

By investing capital, leveraging strong established clinical programs, and addressing areas of opportunity, HCA Healthcare’s vision would be for NHRMC to continue to serve as the leading provider and tertiary care center for its community. **HCA Healthcare would want patients in southeastern North Carolina to utilize New Hanover Regional Medical Center for all of their healthcare needs rather than seeking care outside of their community.**

We believe that by investing in and expanding key services and service lines at NHRMC, an opportunity exists to enhance tertiary referrals from the surrounding region. **NHRMC is the leading healthcare system within southeastern North Carolina and would act as an important anchor to other existing and future HCA Healthcare hospitals along the US-17 Coastal Highway.**

HCA Healthcare currently serves the greater communities of Myrtle Beach, SC, Charleston, SC, Savannah, GA, and Jacksonville, FL. An affiliation with NHRMC would provide HCA Healthcare with a hub for southeastern North Carolina, and further solidify our presence along the coast.

In addition to the network of care along the coast, NHRMC and Mission Health would together address the changing healthcare landscape specific to North Carolina. **By coming together, we would have a stronger presence on a state level through representation of two important regions within North Carolina.**
9.2. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on maintaining or revising NHRMC’s strategic plans and how consistent (or inconsistent) NHRMC’s strategic planning documents are with the Respondent’s overarching strategy.

After review of NHRMC’s Strategic Master Planning document, it is clear that NHRMC has thoughtfully considered the challenges and opportunities facing the system. HCA would welcome the opportunity to collaborate with NHRMC management to develop comprehensive strategic plans that guide the system toward long-term, sustainable growth.

HCA’s planning process is unique, in part, due to its size and scale. Given that HCA operates in 21 states, the United Kingdom, and in over 40 U.S. markets, no single plan can meet the distinct needs of every community. As a result, HCA has planning processes at the enterprise, market, and facility levels, as well as across several lines of business. From an enterprise level, the organization sets several overarching strategic objectives that span a 3-5 year horizon, many of which are based on observations of both national and local trends. These enterprise objectives translate into a portfolio of strategic initiatives. The current strategic initiatives include:

- Industry leading quality and service
- Profitable growth through distinctive MD and patient relationships and value
- Efficiency levels that continue to lead the industry
- A well-informed response to evolving market environment
- Unparalleled development of future leaders

Each market and facility develops its own strategic plan in alignment with the enterprise objectives annually, uniquely tailored to its competitive environment. The enterprise strategic initiatives are broadly implemented at the local level and adopted by local management, while others are modified, as appropriate, based on applicability to local dynamics.

At each level of planning, management is able to draw upon a robust set of internal analytics, business intelligence and benchmarking from across HCA. The ability to learn from the experience of many markets and share best practices across markets is an advantage unavailable to many of HCA’s competitor health systems. In addition to analytics, management benefits from the expertise of clinical service line business leaders. These leaders serve as advisors to local management during planning and support effective implementation of local strategies. In turn, the clinical service lines are also able to gather local intelligence that informs enterprise planning.

**Market Plans**
Each market develops and submits annual business plans focused on the activities market leaders believe are key to achieving long-term sustainable growth in the community. To ensure consistency across the organization and align with HCA’s overarching strategy, the market plans each focus on a core set of tactics implemented locally. For example, the tactics for sustainable growth typically include: 1) improve access and convenience for the patient; 2) develop comprehensive service lines to meet the needs of the local community and surrounding region; 3) improve the coordination and delivery of care across our markets; 4) enhance and strengthen relationships with physicians; 5) expand our markets by implementing outreach efforts into outlying markets; and 6) utilize the economies of scale and skill across HCA.

HCA, at the corporate level, uses its scale to support these local plans, as applicable, with investments in technology, shared-service platforms where it can regionalize or nationalize a particular support function (e.g., centralized credentialing function), subject matter expertise, and other organizational support. Again, one of the differentiating attributes of HCA is the perspective it gains from different growth strategies across our diverse markets. These perspectives are used to drive strategy across the company.

9.2.1. Will the Respondent make a commitment to maintain the existing Management Services Agreement and Clinical Affiliation with Pender Memorial Hospital?

HCA Healthcare would maintain the existing Management Services Agreement and Clinical Affiliation with Pender Memorial Hospital, subject to due diligence.

9.2.2. Discuss the Respondent’s position on continuing any other contractual relationships NHRMC has with hospitals in the Service Area.

It is of the utmost importance to HCA is to ensure the provision of quality, accessible healthcare by striving to maintain continuity through and after completion of a transaction. HCA Healthcare anticipates continuing existing relationships, subject to due diligence. Like NHRMC, HCA believes it is critical to provide services and distribute care not only to our hospitals, but also to non-HCA hospitals in the communities we serve.

HCA supports several different strategies and contractual models with hospitals in our service areas which include collaborative care agreements, accreditation and certification assistance, telemedicine programs, outreach clinics, education of ER and EMS providers, service line affiliations, joint ventures, service line leadership support and partnership, and Transfer Center support. These models are supported and evaluated at the local level and many of our markets have robust outreach growth strategies that incorporate all of these strategies.
More specifically, the HCA Nashville market has cardiac service line affiliations with four hospitals in their service area with strategies including outreach clinics, satellite clinics, inpatient consults, and cardiology coverage. HCA TriStar Skyline, a Trauma Level II facility in Nashville, is offering trauma consulting services to a facility in the service area who is seeking a Level III accreditation, which would greatly benefit the local community. The Nashville market offers telemedicine services to 15 hospitals in their primary and secondary service areas and has robust Transfer Center processes in place for local facilities where appropriate.

HCA’s community affiliations agreements are designed to extend services and capacity in rural communities. HCA would want to continue to develop future affiliations to support hospitals within the Service Area.

9.3. Describe which of Respondent’s system-wide strategic initiatives, if any, would be introduced at NHRMC as part of Respondent’s Proposed Strategic Partnership.

HCA, in collaboration with NHRMC leaders and other local stakeholders, would develop a deep understanding of the healthcare needs of the local service area, including current service offerings and potential unmet needs in order to determine which of HCA’s system wide initiatives would most greatly impact and benefit the community. HCA has strategic initiatives in every area of our organization including, but not limited to, quality, patient satisfaction, operations, revenue cycle management, physician engagement, supply cost, growth, and innovation. HCA plans to work with NHRMC’s team to complement and strengthen NHRMC’s existing strategic initiatives with programs and processes that have proven to be successful in other communities that HCA serves.

10. Governance

10.1. Describe what impact, if any, Respondent’s Proposed Strategic Partnership would have on current NHRMC governing structures, including:

10.1.1. The authority of the NHRMC Board post-affiliation or partnership (and the authority of Respondent’s board vis-a-vis NHRMC);

No matter which transaction structure is selected by the Sellers, each hospital within the NHRMC network, like all of HCA’s hospitals, will have a Board of Trustees that supports quality, credentialing, accreditation, strategic planning, and community outreach.

Option 1: Full Acquisition

In a transaction structured as a full acquisition, we suggest the creation of a 10-person Community Advocacy Board, with 5 persons appointed by each of the Sellers and HCA. The Sellers may choose whomever they deem appropriate to serve on the Community Advisory Board, which could potentially be physicians, business professionals, community leaders,
elected officials, or otherwise. At least one of HCA’s appointees will be a physician. Each of
the Sellers and HCA may replace any of its own appointees at any time, for any reason, in
their sole discretion.

The Community Advocacy Board would have to approve any changes to HCA’s post-closing
covenants provided in the definitive agreements (collectively, the “Definitive Agreements”).
Community Advocacy Board actions would require the approval of a majority of its
community members and a majority of HCA members.

Option 2: Joint Venture

If a Joint Venture structure is chosen, major decisions associated with the Joint Venture
would be made by a Governing Board. The Governing Board would be composed of
representatives appointed by HCA and Sellers equivalent to their respective equity interest.
Each member would have rotating authority to appoint the Governing Board chairman, with
the Sellers appointing the initial chairman. The term of the Governing Board chairman would
be two years.

The Governing Board would have authority with respect to the following major Joint Venture
decisions:

1. material amendments to the Joint Venture Operating Agreement;
2. transfer of more than 20% of the Joint Venture assets;
3. addition of new members to the Joint Venture;
4. ratification of annual capital and operating budgets prepared by HCA;
5. incurrence of debt by the Joint Venture which when aggregated with all other debt of
the Joint Venture exceeds 20% of the value of its assets;
6. distributions to the Joint Venture members which vary from ordinary distributions as
provided for in the Operating Agreement;
7. any agreement between the Joint Venture and its members or members’ affiliates;
8. the discontinuation of certain core services of NHRMC, the scope of which would be
mutually agreed by the parties
9. capital expenditures in excess of $1,000,000 which are not included in the approved
capital budget;
10. the filing of any litigation not in the ordinary course of business; and
11. any request for a capital call.
Decisions not included in the scope of the Governing Board would be delegated to HCA pursuant to a Management Services Agreement. And amendment to or the termination of the Management Services Agreement would be subject to the approval of the Governing Board.

**Option 3: Lease Arrangement**

In a transaction structured as a long-term lease, we suggest the creation of a 10-person Community Advocacy Board, with 5 persons appointed by each of the Sellers and HCA. The Sellers may choose to serve thereon any persons, in their sole discretion, they deem appropriate, whether physicians, business professionals, community leaders, elected officials, or otherwise. At least one of HCA’s appointees will be a physician. Each of the Sellers and HCA may replace any of its appointees at any time, for any reason, in their sole discretion.

The Community Advocacy Board would approve any changes to HCA’s post-closing covenants provided in the Definitive Agreements and would receive annual reports prepared by HCA regarding HCA’s post-closing covenants. Community Advocacy Board actions would require the approval of a majority of its members.

**10.1.2. The composition of the NHRMC Board post-affiliation or partnership including any new directors appointed by the Respondent on that board;**

The composition of the NHRMC Board post-affiliation is discussed in our response to 10.1.1.

**10.1.3. The process by which NHRMC Board members will be nominated and appointed; and**

The process by which NHRMC Board members will be nominated and appointed is discussed in our response to 10.1.1.

**10.1.4. The extent and duration of any reserve powers held by legacy NHRMC Board and/or any decisions of the NHRMC Board that would be subject to further approval by the County.**

Under a full acquisition structure, the Community Advocacy Board would be in existence for the same duration as the post-closing covenants. For a Joint Venture, the Board of Governors would remain in place for the duration of the Joint Venture.

**10.2. If applicable to the Respondent’s Proposed Strategic Partnership, discuss any proposed representation from NHRMC (or residents of the Service Area) on Respondent’s parent or system board of directors or any of such board’s committees.**

HCA does not intend to alter its Board or its Board’s committees as a result of any affiliation with NHRMC.
10.3. Will the Respondent make a commitment to allow local control and decision-making on hospital-based provider contracts, joint ventures and other physician contracts and agreements?

HCA’s relies upon its local management teams to make operational decisions, including those related to hospital-based provider contracts, joint ventures and other physician contracts and agreements. Local management teams are supported by experts in clinical areas, physician alignment, service lines, managed care, legal, etc. Additionally, we are able to support our local teams with intellectual capital that we gain from experiences in other markets.

HCA is also familiar with the hospital-based groups currently providing coverage at NHRMC today and would plan on maintaining them once the transaction is complete, subject to due diligence. If for any reason a contracted group were to leave or disband, HCA would work to quickly identify a replacement for that group with another high quality provider. The Community Advocacy Board (in which the Sellers will have representation) will maintain credentialing privileges and review any new physicians to NHRMC.

For the employed providers at NHRMC, HCA would develop a Practice Advisory Council (the “PAC”) that would consist of four (4) employees of the local employed medical group and four (4) HCA representatives. The PAC will advise with respect to:

- Evaluating the need for, and the recruitment of, additional providers;
- Monitoring the performance and behavior of providers and actions required to correct inappropriate performance or behavior;
- Developing and implementing quality assurance, utilization review and patient satisfaction standards and policies consistent with existing policies;
- Establishing providers’ daily schedules, including office hours schedules and call coverage schedules designed to ensure that all providers have adequate office hours, rounding time and call coverage;
- Evaluating the office location and space, equipment and furniture, utilities and supplies and support personnel reasonably necessary for the operation of the practice; and
- Monitoring the performance and behavior of non-physician staff and actions required to correct inappropriate performance or behavior, up to and including termination of employment.

During the due diligence process, existing contracts for all employed physicians of NHRMC will be reviewed for compliance and compensation models will be verified to be within fair market value ranges.
11. Proposed Strategic Partnership Structure(s)

In this section, provide an overview of Respondent’s Proposed Strategic Partnership transaction structure(s). Respondents may provide more than one Proposed Transaction structure but should clearly indicate its preferred transaction structure. For each transaction structure, provide sufficient detail addressing:

11.1. Transaction structure and type of legal arrangement.

Option 1: Full Acquisition

In a full acquisition, the transaction between HCA and the Sellers would be structured as an asset purchase. The buyer, a wholly-owned affiliate of HCA, would acquire substantially all of the assets associated with NHRMC. The buyer would provide the Sellers cash consideration equal to the value of such assets.

Option 2: Joint Venture

In a joint venture, the Sellers would contribute substantially all assets associated with NHRMC to a newly formed entity (“NewCo”) pursuant to a contribution agreement. A wholly-owned affiliate of HCA would contribute an amount of cash to NewCo equal to the value of its equity percentage in NewCo in exchange for equity in NewCo. NewCo would immediately distribute the cash contributed by the HCA affiliate to the Sellers in addition to the remaining equity in NewCo.

Option 3: Lease Arrangement

In a long-term lease arrangement, the HCA affiliate would lease the assets of NHRMC from the Sellers for a period of 99 years in exchange for an upfront lease payment equal to the value of such assets. At the end of the lease term, the leased assets would revert back to the Sellers.

11.2. The key business and legal terms of that transaction structure, including:

11.2.1. Financial terms, as applicable, including any (a) purchase price based upon of fair market value of operating assets, (b) financial contributions to the County or an independent, local foundation whose general charter would be to benefit the local community, (c) lease payments, (d) funds to support ongoing or planned capital projects (i.e., capital commitments), (e) funds committed to strategic growth and expansion, (f) any other financial commitments.

Option 1: Full Acquisition

a) In a transaction structured as a full acquisition, the enterprise value (cash-free, debt-free) of the assets would be $1.25 billion. The purchase price paid to the Sellers would be equal to the enterprise value adjusted for any assumed indebtedness and
for the variance between (i) the amount of working capital delivered at closing and (ii) a normalized level of working capital for NHRMC as agreed to by the parties.

b) The Sellers would receive the proceeds from the transaction and would determine what financial contributions would be made to the County or an independent, local foundation whose general charter would be to benefit the local community. *In addition, as taxable entity, HCA would incur sales and property taxes which we estimate would be equal to approximately $19 million annually.*

c) A transaction structured as a full acquisition would not provide for lease payments. Option 3 contemplates a long-term lease structure.

d) As discussed in our response to question 8.1.8, HCA would to commit to spending $370 million in capital expenditures in the five-year period following the closing of the Proposed Transaction.

e) Included within the $370 million would be an amount designated for strategic growth and expansion projects.

f) HCA would provide community benefit support to not for profit organizations within the community through charitable giving as well as HCA’s Caring for the Community initiative in which HCA employees volunteer with local not for profits. HCA will continue to provide an expansive uninsured and charity care policy that will support care for the underserved.

**Option 2: Joint Venture**

a) In a transaction structured as a Joint Venture, the enterprise value of the assets would be $1.1 billion. HCA is flexible as to the amount of equity that the Sellers would have in the Joint Venture, so long as such amount of equity is between 20% and 49%. The purchase price paid to the Sellers would be equal to HCA’s percentage ownership of the Joint Venture multiplied by the equity value of the Joint Venture. The equity value of the Joint Venture would be equal to the enterprise value adjusted for any assumed indebtedness and for the variance between (i) the amount of working capital delivered at closing and (ii) a normalized level of working capital for NHRMC as agreed to by the parties.

b) The Sellers would receive the proceeds from the transaction and would determine what financial contributions would be made to the County or an independent, local foundation whose general charter would be to benefit the local community.

c) A transaction structured as a Joint Venture would not provide for lease payments. Option 3 contemplates a long-term lease structure.

d) As discussed in our response to question 8.1.8, HCA would to commit to spending $370 million in capital expenditures in the five-year period following the closing of the Proposed Transaction.
e) Included within the $370 million would be an amount designated for strategic growth and expansion projects.

f) HCA would provide community benefit support to not for profit organizations within the community through charitable giving as well as HCA’s Caring for the Community initiative in which HCA employees volunteer with local not for profits. HCA will continue to provide an expansive uninsured and charity care policy that will support care for the underserved.

Option 3: Lease Arrangement

a) In a transaction structured as a lease arrangement, the enterprise value of the assets would be $1.25 billion. The upfront lease payment to the Sellers would be equal to the enterprise value adjusted for any assumed indebtedness and for the variance between (i) the amount of working capital delivered at closing and (ii) a normalized level of working capital for NHRMC as agreed to by the parties.

b) The Sellers would receive the proceeds from the transaction and would determine what financial contributions would be made to the County or an independent, local foundation whose general charter would be to benefit the local community.

c) A transaction structured as lease arrangement, the Sellers, or lessor, would receive an upfront payment equal to the value of the operating assets.

d) As discussed in our response to question 8.1.8, HCA would to commit to spending $370 million in capital expenditures in the five-year period following the closing of the Proposed Transaction.

e) Included within the $370 million would be an amount designated for strategic growth and expansion projects.

f) HCA would provide community benefit support to not for profit organizations within the community through charitable giving as well as HCA’s Caring for the Community initiative in which HCA employees volunteer with local not for profits. HCA will continue to provide an expansive uninsured and charity care policy that will support care for the underserved.

11.2.2. Discuss with specificity any assets or liabilities that would be excluded from the Proposed Transaction.

A transaction with HCA would exclude the assets and liabilities of the existing Foundation, all cash and investments, and all liabilities except for (i) those liabilities contained in working capital and (ii) those liabilities that arise post-closing pursuant to assumed contracts.

11.2.3. Note and estimate the value of any other specific financial commitment to the County, such as payment of property taxes, sales taxes or commitment to directly fund a community health need.
Based upon preliminary, high-level estimates, HCA would incur approximately $19 million per year in the form of property and sales taxes.

11.2.4. Post-closing commitments of the parties as outlined by the Respondent in its proposal.

Throughout this document, HCA has outlined the post-closing commitments it would make in connection with a transaction involving NHRMC. The particulars of those commitments are contained within HCA’s responses to the questions that address HCA’s intentions following the completion of a transaction.

12. Deal Process and Transaction Timing

12.1. If Respondent’s Proposed Strategic Partnership is ultimately selected by the PAG and the Boards, describe the scope and timing for the following:

The graphic below depicts the major milestones and the estimated timeline that is anticipated to complete a transaction with HCA.

12.1.1. Confirmatory due diligence review of NHRMC;

Execution of the Proposed Transaction is dependent upon satisfactory completion of HCA’s due diligence review of NHRMC. HCA would conduct a due diligence process that is customary for a transaction of this nature. The scope of due diligence would focus on a variety of areas including, without limitation, finance, operations, legal, compliance, human resources, physical plant and equipment, real estate, insurance, and information technology.

12.1.2. Obtaining financing for any financial commitments related to the Proposed Strategic Partnership;
The completion of a transaction would not be contingent upon HCA obtaining financing.

12.1.3. Obtaining Respondent’s corporate approvals (e.g., approval by its board of directors); and

HCA’s senior management team has been engaged in this process and supports the Proposed Transaction and the submission of this RFP. Notwithstanding the foregoing, the execution and delivery of the Definitive Agreements would be subject to the approval of HCA’s Board of Directors. The timing of receiving this approval would not impact the transaction timeline as depicted in response to question 12.1. HCA does not require any additional internal approvals to effect the Proposed Transaction.

12.1.4. Other contingencies or approvals identified by Respondent.

As is customary for transactions of this type, our conditions to completing the Proposed Transaction would include, but would not be limited to: (a) the negotiation, execution and delivery of Definitive Agreements in a form acceptable to us, which would include, among other things, representations, warranties, covenants (including non-compete and non-solicitation provisions), conditions and indemnities that are usual and customary for transactions of this type, (b) satisfactory completion of our due diligence review of NHRMC, (c) no material adverse changes to the Companies or the business prior to the consummation of the Proposed Transaction, and (d) receipt of any necessary consents and/or regulatory approvals.

12.2. In any definitive agreement entered into by Respondent to orchestrate the Proposed Strategic Partnership, discuss Respondent’s position to the following terms:

12.2.1. All NHRMC and County representation and warranties will expire at the closing, a representation and warranty policy will be obtained by Respondent and will be Respondent’s sole recourse under the agreement, and there will be no claw-back or recovery provisions for any financial consideration provided by Respondent to NHRMC and the County;

The representations and warranties made by the Sellers in connection with a transaction with HCA would not expire at the closing of such a transaction. Rather, each representation and warranty would survive for a period of time. The Sellers would indemnify HCA for losses resulting from a breach of any representation and warranty. The Sellers may purchase a representation and warranties insurance policy to mitigate risk associated with making the representations and warranties.

12.2.2. Remedy for any material breach of Respondent’s post-closing commitments will include a repatriation of NHRMC and/or transfer of certain or all assets to NHRMC and/or the County, as applicable per model; and

The remedy associated with HCA’s material breach of a post-closing commitment would not result in a transfer of certain or all assets to the Sellers; rather, a material breach of a post-
closing commitment would result in HCA entering into a period of remediation, whereby HCA would rectify such material breach by taking corrective actions to reestablish compliance with the post-closing commitment that was the subject of such material breach.

12.2.3. For any Respondent, including any for-profit corporation (or other taxable legal entity), the Respondent will agree to all of the following North Carolina statutory requirements:

12.2.3.1. The Respondent shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.

HCA would make certain commitments related to the continuation of clinical services, which are detailed below. To the extent that these commitments are in conflict with any North Carolina statute, any such conflicts would need to be resolved in connection with the Proposed Transaction such that the contractual commitments take precedence over any North Carolina statute or regulation.

For a period of 10 years following the closing of the Proposed Transaction, HCA would commit not to discontinue certain core services of NHRMC, the scope of which would be mutually agreed by the parties, unless: (1) the Community Advisory Board consents; or (2) a force majeure event (including a significant change in the manner or amount of reimbursement paid to healthcare service providers) occurs that makes providing such service impossible or commercially unreasonable.

After the 10th anniversary of the closing of the Proposed Transaction, HCA would commit not to discontinue those core services except in the circumstances described in the paragraph above or certain other contingencies occur that would make the provision of such services no longer feasible.

12.2.3.2. The Respondent shall ensure that indigent care is available to the population of the Service Area served by NHRMC at levels related to need, as previously demonstrated and determined mutually by NHRMC and the Respondent.

HCA would make certain commitments related to indigent care, which are detailed below. To the extent that these commitments are in conflict with any North Carolina statute, any such conflicts would need to be resolved in connection with the Proposed Transaction.

Prior to the consummation of the affiliation, as described in Item 3.1.2, NHRMC would have the opportunity to choose between its existing charity care policy and HCA’s policy, whichever provides more access to charity care, and HCA would commit to keep such policy in place for 10 years following the closing of the Proposed Transaction. During such 10-year
period after closing, HCA would be permitted to make changes to such policy only if: (1) they are approved by the Community Advisory Board, (2) the changes do not reduce access for necessary medical care regardless of the patient’s ability to pay, (3) the changes are necessary to comply with applicable laws, or (4) a force majeure event (including a significant adverse change in reimbursement) occurs that makes the maintenance of the existing policies impossible or commercially unreasonable.

After the 10th anniversary of the closing, HCA would maintain a policy for indigent patients that provides access to necessary medical care to individuals who are at or below 200% of the federal poverty line.

12.2.3.3. The Respondent shall not enact financial admission policies, or engage in debt collection practices, that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.

HCA would make certain commitments related to financial admission policies, which are detailed below. To the extent that these commitments are in conflict with any North Carolina statute, any such conflicts would need to be resolved in connection with the Proposed Transaction such that the contractual commitments take precedence over any North Carolina statute or regulation.

HCA Healthcare has an overarching program comprised of several support services and industry-leading policies and practices that are intended to protect patients from costs associated with unexpected healthcare needs. We believe this program provides substantial protection for our patients who need financial assistance. In 2019, approximately 8% of our inpatient hospital admissions and 20% of our emergency room visits were uninsured, which represent almost two million patients. In addition, a growing number of insured patients find themselves strained financially due to high deductibles or high copayment requirements. Through the generous charity and discount programs described below, HCA Healthcare provided more than $3.5 billion in uncompensated care in 2019 alone.

**Patient Discounts and Protection**

Covering both uninsured and under-insured patients, HCA Healthcare applies a sliding scale discount on patient amounts due based on federal poverty guidelines (“FPG”) and household income. The individual policies include:

- **Charity Care Policy**: provides a 100% write-off of costs related to emergent, non-elective services for qualifying patients. Generally, patients with annual household incomes of less than 200% of FPG qualify for this program.

- **Expanded Charity Care Policy**: provides financial relief for emergent, non-elective services to families with annual household incomes between 200% and 400% of FPG. For patients who qualify for this program, we cap their out-of-pocket balances at 4% of their annual income using a sliding scale. For example, a family of four with a household income of $100,000 would have their liability capped at $4,000.
- **We make both of these charity care policies available to all patients**, regardless of their insurance coverage.

- **Uninsured Discounts Policies**: offers patients with no insurance, or exhausted insurance benefits, a discount for emergency services. The discount averages 88% of the patient’s total bill, which is similar to expected reimbursement for patients with Medicaid coverage.

- **Under-insured Discounts/Patient Liability Protection ("PLP")**: the PLP program provides protection for patients with household incomes between 400% and 1,000% of FPG. The discounts under this program help patients who may find themselves with limited coverage, a high deductible, or who may be out of network. Similar to the policies above, these discounts are need-based and calculated on a sliding scale based on the patient’s annual household income. The PLP discount can be applied in conjunction with other financial assistance policies.

**Prompt Pay and Time-of-Service Discounts**

We use our call centers and various technologies described earlier to provide patients with estimates, when available, of their out-of-pocket costs in advance of most elective procedures. Patients who make payments at the time of service for their estimated financial liability receive a discount that ranges from 10% to 20% of the amount owed.

**Financial Counseling**

We have resources available to any patient who needs financial counseling and assistance in applying for Medicaid or other eligible coverage. We also work, when appropriate, with patients to establish interest-free payment arrangements.

**Collections**

HCA Healthcare is committed to the responsible collection of healthcare payments. We recently made the decision to apply two new policies in this area to better relieve the financial burden of our patients.

- In 2019, we stopped reporting to credit bureaus on all patient bad debt accounts. Additionally, we recalled all existing accounts from the three credit bureau companies.

- Also in 2019, we stopped any litigation activity that involved suing patients or filling liens on patient bad debt accounts.

Further description of HCA’s approach to managing out-of-pocket costs for insured and self-pay patients is referenced in section 3.1.1.

**12.2.3.4. The Respondent shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs**
(Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.

HCA would make certain commitments related to governmental reimbursement programs, which are detailed below. To the extent that these commitments are in conflict with any North Carolina statute, any such conflicts would need to be resolved in connection with the Proposed Transaction such that the contractual commitments take precedence over any North Carolina statute or regulation.

For 10 years following the closing of the Proposed Transaction, HCA would cause NHRMC to remain enrolled and in good standing in Medicare, Medicaid or their successor program(s) (but only conventional Medicare and Medicaid, not alternative payment models), except (1) with the consent of the Community Advisory Board or (2) when a force majeure event (including a significant change in the manner or amount of reimbursement paid to healthcare service providers) makes providing doing so impossible or commercially unreasonable.

12.2.3.5. The Respondent shall prepare an annual report that shows compliance with the requirements of the lease, sale or conveyance related to the Proposed Strategic Partnership.

HCA would make certain commitments related to annual reporting, which are detailed below. To the extent that these commitments are in conflict with any North Carolina statute, any such conflicts would need to be resolved in connection with the Proposed Transaction such that the contractual commitments take precedence over any North Carolina statute or regulation.

For 10 years following the Proposed Transaction, HCA shall commit to provide to Sellers an annual report summarizing HCA’s compliance with the requirements of the Proposed Transaction during the applicable fiscal year.

12.2.3.6. The Respondent shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility on 17th Street in Wilmington, North Carolina as a hospital open to the general public and free of discrimination based on race, creed, color, sex or national origin unless relieved of this responsibility by operation of law, or if the Respondent dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale or agreement of conveyance, all ownership or other rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the County; provided that any building, land or equipment associated with the hospital facility that the Respondent has constructed or acquired since the sale may revert only upon payment to the Respondent of a sum equal to the cost less depreciation of the building, land or equipment.

11.2.4. Post-closing commitments of the parties as outlined by the Respondent in its proposal.

HCA and Sellers would establish certain remedies in the event of the failure to comply with the obligations set forth in the transaction documents. The remedy associated with HCA’s material breach of a post-closing commitment would not result in a transfer of any assets to
the Sellers; rather, a material breach of a post-closing commitment would result in HCA entering into a period of remediation, whereby HCA would rectify such material breach by taking corrective actions to reestablish compliance with the post-closing commitment that was the subject of such material breach.

To the extent that these commitments are in conflict with any North Carolina statute, any such conflicts would need to be resolved in connection with the Proposed Transaction such that the contractual commitments take precedence over any North Carolina statute or regulation.

Background Information on Respondent

1. **Address of Headquarters**
   
   HCA Healthcare
   One Park Plaza
   Nashville, TN 37203

2. **Designated contact for communications from NHRMC**
   
   Monica Cintado
   Vice President - Development
   HCA Healthcare
   One Park Plaza, Building I-2E
   Nashville, TN 37203
   Tel: (615) 344-1486
   Email: Monica.Cintado@hcahealthcare.com

   Chadd Tierney
   Vice President – Development, Legal
   HCA Healthcare
   One Park Plaza, Building I-2E
   Nashville, TN 37203
   Tel: (615) 344-2879
   Email: Chadd.Tierney@hcahealthcare.com

   Wilson Robinson
   Associate Vice President - Development
   HCA Healthcare
   One Park Plaza, Building I-2E
   Nashville, TN 37203
   Tel: (615) 344-4625
   Email: Wilson.Robinson@hcahealthcare.com
3. System Profile

a. Background and history

HCA was founded in 1968 by Nashville physician, Dr. Thomas Frist, Sr., his son Dr. Thomas Frist, Jr. and local businessman Jack Massey to support the management of a hospital developed earlier in the decade by Dr. Frist, Sr. and a group of local physicians. In time, the combination of the patient-first culture perpetuated by the Frist family and the business discipline of Jack Massey led HCA to become one of the nation’s first hospital management companies.

As in its earliest beginnings, HCA continues to ground its operations on a culture of high quality and compassionate care focused on serving patients in our communities. HCA is one of the leading healthcare services companies in the US.

b. Mission, vision and values

Above all else, we are committed to the care and improvement of human life. In recognition of this commitment, we strive to deliver high quality, cost effective healthcare in each of the communities we serve.

In pursuit of our mission, we believe the following value statements are essential and timeless:

- We recognize and affirm the unique and intrinsic worth of each individual
- We treat all those we serve with compassion and kindness
- We act with absolute honesty, integrity and fairness in the way we conduct our business and the way we live our lives
- We trust our colleagues as valuable members of our healthcare team and pledge to treat one another with loyalty, respect and dignity

c. Description of facilities
Our locally managed healthcare delivery networks include 184 hospitals, 123 ambulatory surgery centers, over 160 urgent care centers and outpatient and ambulatory providers in 21 states and England. These networks are supported by over 280,000 employees – including 38,000 allied health professionals and 98,000 nurses, as well over 5,000 employed and 46,000 affiliated physicians.

d. Map of facilities/service areas

The map illustrates the locations of HCA hospital facilities across the United States and United Kingdom.

e. Number of Employees / breakout of employees by type

HCA Healthcare’s networks are supported by over 280,000 employees – including 38,000 allied health professionals and 98,000 nurses.

f. Number of Providers on hospital medical staffs

HCA Healthcare has approximately 46,000 affiliated physicians on our hospital medical staff, plus 38,000 allied health professionals and 98,000 nurses.

g. Number of Employed Providers
HCA Physician Services includes 7,620 providers employed, managed, or under professional services agreements and aligns with an additional 4,393 providers through joint ventures.

**h. Description of any health plans**

HCA does not own or operate any health plans.

**i. Description of ACOs/CINs**

Accountable Care Organizations

- Eastern Idaho Care Partners (Idaho Falls, ID) - 9,000 lives
- Integral Healthcare (Spring Hill, FL) - 17,000 lives
- Mission Health Partners (Asheville, NC) - 58,000 lives
- Virginia Care Partners (Richmond, VA) - 25,000 lives

Clinically Integrated Networks

- Colorado Care Partners (Denver, CO) – 100,000 lives
- Memorial Health Partners (Savannah, GA) – 15,000 lives
- Qlink (Nashville, TN) - 20,000 lives
- Virginia Care Partners (Richmond, VA) - 200,000 lives

**4. Organization and Leadership**

**a. Legal organization chart**

A comprehensive list of HCA’s affiliates is contained in Exhibit 21 of our annual 10-K filing with the SEC which can be found on our [website](#).

**b. Management organization chart**

Since our founding in 1968, HCA has operated on the belief that healthcare delivery is fundamentally a local endeavor. With this belief as a foundation, HCA looks to the leadership within each of its markets to drive strategy and fulfill operational priorities. HCA provides local leadership access to unparalleled resources and expertise at an enterprise level to support their strategies and operations.

HCA organizes and operates its portfolio of facilities in 16 Divisions which are then organized in two Groups.
The American Group operates 91 hospitals in ten states (TX, CO, KS, OK, LA, MO, TN, KY, GA and MS) and England across 8 Divisions. Jon Foster is the President of HCA’s American Group.

The National Group operates 94 hospitals in thirteen states (AK, CA, NV, ID, UT, IN, KY, NC, VA, NH, SC, GA and FL) across 8 Divisions. Chuck Hall is the President of HCA’s National Group.

New Hanover Regional Medical Center would be situated in the North Carolina Division of the National Group as depicted in the charts below.

c. Biographies of the leadership of your organization and those that would be directly involved in and responsible for the ongoing relationship with NHRMC

Samuel N. Hazen, Chief Executive Officer

Sam Hazen is chief executive officer of HCA Healthcare, one of the nation’s leading providers of healthcare services.
HCA Healthcare operates 184 hospitals and approximately 2,090 sites of care, including surgery centers, freestanding ERs, urgent care centers and physician clinics, in 21 states and the United Kingdom. With annual revenues of $51 billion, Nashville, Tennessee-based HCA Healthcare and its 280,000 employees provide approximately five percent of all U.S. hospital services.

A 36-year veteran of HCA Healthcare, Hazen was appointed CEO January 1, 2019 after serving as president and chief operating officer since 2016. Hazen has served in various senior positions for HCA Healthcare including president of operations from 2011-2015. Hazen has also served as president of HCA Healthcare’s Western Group, which included all operations west of the Mississippi River and represented approximately one-half of the company’s revenue.

Prior to 2001, Hazen was chief financial officer for the Western Group. Prior to 1995, he was chief financial officer for two different divisions in the company, overseeing operations in North Texas and various other markets. Hazen began his career in Humana’s Financial Management Specialist Program in 1983 and has held chief financial officer positions at hospitals in Georgia and Las Vegas.

Hazen currently serves on the Board of Directors for the Nashville Healthcare Council, Federation of American Hospitals, and the HCA Foundation.

Hazen earned his bachelor’s degree in finance from the University of Kentucky and his master’s degree in business administration from the University of Nevada Las Vegas.

William B. Rutherford, Chief Financial Officer

William B. Rutherford is Chief Financial Officer and Executive Vice President of Nashville, Tennessee-based HCA Healthcare, the nation’s leading provider of healthcare services. As CFO, Rutherford has management responsibility for the company’s Treasury Department, Office of the Controller, Information Technology, Government Programs, Development, Investor Relations, Parallon, and HealthTrust Purchasing Group.

A 30-year veteran of HCA Healthcare, Rutherford joined the company as a Staff Auditor in 1986. He served the company in a variety of roles, including Director of Operations Support and Chief Financial Officer for the Georgia Division. From 1996 to 2005, Rutherford was Chief Financial Officer for the Eastern Group. During this time, the Eastern Group was comprised of approximately 90 hospitals with $12 billion of net revenue.

In 2005, Rutherford left HCA Healthcare to start his own training and education company which led to work with several private equity ventures. He served as Chief Operating Officer of Psychiatric Solutions, a behavioral health services provider, from January 2006 to June 2007.
Rutherford returned to HCA Healthcare in December 2008, serving as Chief Financial Officer of the Outpatient Services Group through January 2011. In this role he was responsible for HCA’s company-wide operations of freestanding outpatient facilities to include ambulatory surgery centers, diagnostic imaging and cancer center operations. This role also included responsibilities related to physician services to support both hospital and outpatient strategies. Prior to his current appointment, Rutherford served as COO of the Clinical and Physician Services Group, helping to provide leadership oversight of physician employment, recruiting and practice management for over 3,000 providers.

Rutherford’s current board membership includes Students Taking a Right Stand (“STARS”). Past board memberships include Center for Non-Profit Management and YMCA Joe C. Davis Outdoor Center.

Rutherford received a bachelor’s degree in accounting and finance from the University of Tampa and is a Certified Public Accountant.

**Jonathan B. Perlin, MD, PhD, MSHA, MACP, FACMI, Chief Medical Officer**

Dr. Jonathan B. Perlin is president, clinical services and chief medical officer of Nashville, Tennessee-based HCA (Hospital Corporation of America). He provides leadership for clinical services and improving performance at HCA’s 185 hospitals and more than 1,000 outpatient surgical, urgent care and other practice units. Current activities include: advancing electronic health records for learning healthcare and continuous improvement; driving value through (big) data science and advanced analytics; and elevating measured clinical performance and patient safety to benchmark levels. His team recently completed the landmark REDUCE MRSA study that demonstrated a 44 percent improvement on known best practices for reducing bloodstream infections.

Before joining HCA in 2006, “the Honorable Jonathan B. Perlin” was Under Secretary for Health in the U.S. Department of Veterans Affairs. Nominated by the President and confirmed by the Senate, as the senior-most physician in the Federal Government and Chief Executive Officer of the Veterans Health Administration (VHA), Dr. Perlin led the nation’s largest integrated health system.

At VHA, Dr. Perlin directed care to over 5.4 million patients annually by more than 200,000 healthcare professionals at 1,400 sites, including hospitals, clinics, nursing homes, counseling centers and other facilities, with an operating and capital budget of $37.4 billion. A champion for early implementation of electronic health records, Dr. Perlin led VHA quality performance to international recognition as reported in academic literature and lay press and as evaluated by RAND, the Institute of Medicine, and others.

Dr. Perlin was the 2015 chairman of the American Hospital Association. He also serves as chair of the Secretary of Veterans Affairs Special Medical Advisory Group. From July to September, 2014 Dr. Perlin took a “sabbatical” to serve as Senior Advisor to the Secretary of
Veterans Affairs to help improve operations, accelerate access and rebuild trust with America’s Veterans. Dr. Perlin has served previously on numerous Boards and Commissions including the Joint Commission and the National Patient Safety Foundation and currently serves on the Board of Meharry Medical College and the National Quality Forum. He was the inaugural chair of the U.S. Department of Health and Human Services Health IT Standards Committee.

A member of the Institute of Medicine (National Academy of Medicine) and recognized perennially as one of the most influential physician executives and health leaders in the United States by Modern Healthcare, Dr. Perlin has received numerous awards including Distinguished Alumnus in Medicine and Health Administration from his alma mater, Chairman’s Medal from the National Patient Safety Foundation, the Founders Medal from the Association of Military Surgeons of the United States, and is one of the few honorary members of the Special Forces Association and Green Berets.

Broadly published in healthcare quality and transformation, Dr. Perlin is a Master of the American College of Physicians and Fellow of the American College of Medical Informatics. He has a Master’s of Science in Health Administration and received his Ph.D. in pharmacology (molecular neurobiology) with his M.D. as part of the Physician Scientist Training Program at the Medical College of Virginia of Virginia Commonwealth University (VCU).

Dr. Perlin has faculty appointments at Vanderbilt University as Clinical Professor of Medicine and Biomedical Informatics and at VCU as Adjunct Professor of Health Administration.

Jane Englebright, Senior Vice President and Chief Nursing Executive

Jane D. Englebright is senior vice president and chief nursing executive for Nashville, Tennessee-based HCA, the nation’s leading provider of healthcare services. A nationally recognized nursing leader, Dr. Englebright provides professional leadership for facility chief nursing officers across HCA and approximately 80,000 nurses working in HCA hospitals, ambulatory surgery centers and other sites of care. She also leads HCA’s CNO Council in advancing a nursing agenda for leadership, operations and outcomes, and professional practice.

Dr. Englebright joined HCA in 1992 as a critical care nurse at Lewisville Medical Center in Texas and became chief nursing officer for San Antonio Community Hospital in 1996. In 1999, she joined HCA’s corporate quality department, where she founded the patient safety program, and in 2007, she became HCA’s first chief nursing officer. In 2014, Dr. Englebright led a team to successfully charter and implement an AHRQ-accredited Patient Safety Organization that further accelerated HCA’s efforts in advancing patient safety.

A nationally recognized nursing leader, Dr. Englebright currently serves as the At-Large Nursing Representative to The Joint Commission’s Board of Commissioners. Dr. Englebright
is a Fellow of the American Academy of Nursing and is a former chair of the Expert Panel on Informatics and Technology. Dr. Englebright has served as an investigator on numerous research projects, including large-scale intra-and inter-mural studies. She is broadly published in nursing, safety and quality, and is a nationally sought speaker in these areas.

An adjunct faculty member at the Vanderbilt University School of Nursing, Dr. Englebright is actively involved in mentoring graduate students in nursing, pharmacy, medicine and business programs at Vanderbilt University and the University of Tennessee. She was recently recognized in the Women of Influence program of the Nashville Business Journal.

Dr. Englebright earned undergraduate degrees in nursing and education from Western Kentucky University and the University of Kentucky. Her graduate degrees in nursing are from Texas Woman's University. Dr. Englebright is also certified in Executive Nursing Practice (CENP) by the American Organization of Nurse Executives.

Chuck Hall, President, National Group

Chuck Hall is National Group President of Nashville, Tenn.-based HCA, the nation’s leading provider of healthcare services. He is responsible for HCA’s operations in 13 states, which currently includes 86 hospitals.

Hall joined the company in 1987 as Chief Operating Officer of Sam Houston Memorial Hospital in Houston, Texas, and was later promoted to Chief Executive Officer. Prior to his current role, Hall was President of several HCA’s Florida Divisions, including North Florida from April 2003 until September 2006, East Florida Division from June 1998 to March 2003, the South Florida Division from February 1996 to May 1998 and the Southwest Florida Division from August 1994 to February 1996.

Hall currently serves on the Board of Directors for Tennessee Performing Arts Center in Nashville, TN and the HCA Hope Fund, an employee-run nonprofit that helps HCA employees and their immediate families who are affected by financial hardship.

Hall earned a master’s degree in business administration in 1979 and a bachelor of science in finance in 1975, both from Florida State University. Hall has served on the boards of the Florida Hospital Association and the Florida Hospital Association Political Action Committee, and as secretary of the Florida League of Health Systems.

Mike Marks, Chief Financial Officer, National Group

Mike Marks is the Chief Financial Officer – National Group of Nashville, Tenn.-based HCA, the nation’s leading provider of healthcare services. He is responsible for HCA’s financial operations in 12 states, which currently includes 88 hospitals.
From 2004-2008, Marks served as CFO of the West Florida Division, where he was responsible for all operations and development activities for 15 hospitals in West and Central Florida. He began his career at HCA in 1996 as a Senior Manager in Internal Audit and subsequently served as the Eastern Group Controller and the CFO for a two hospital system in Ocala, Florida.

**Greg Lowe, President, North Carolina Division**

Greg Lowe is President of HCA Healthcare North Carolina Division, which includes Mission Health, the state’s sixth largest health system based in Western North Carolina. Mission Health operates six hospitals, numerous outpatient and surgery centers, post-acute care provider CarePartners, long-term acute care provider Asheville Specialty Hospital and the region’s only dedicated Level II trauma center. Mission Health has approximately 12,000 employees.

Appointed to Mission in April 2019, Lowe had previously served as chief executive officer of HCA Healthcare’s Chippenham and Johnston-Willis (CJW) hospitals, a two-campus system in Richmond, Va., since 2016.

Before becoming CEO of CJW, Lowe was CEO of Lawnwood Regional Medical Center & Heart Institute, an HCA Healthcare-affiliated level II trauma center in Fort Pierce, Fla. Before joining HCA Healthcare, Lowe held CEO roles at hospitals in North Carolina and Tennessee.

Greg has a track record of leading strategic initiatives to improve clinical outcomes, enhance operational efficiencies, and achieve financial goals in numerous hospitals. An emphasis on employee engagement, the patient experience and strategic growth have helped Greg successfully navigate his hospital teams through the changing healthcare landscape.

Lowe studied healthcare administration at the University of Utah and received his Masters of Healthcare Administration and Master of Business Administration from the University of Minnesota. He and his wife, Lee, reside in Asheville with their four sons. He enjoys cycling, the outdoors, and coaching his son’s sports teams.

**Terence van Arkel, Chief Financial Officer, North Carolina Division**

Terence van Arkel is CFO of HCA Healthcare’s newly-established North Carolina Division, which includes Mission Health, the state’s sixth largest health system based in Western North Carolina. Mission Health operates six hospitals, numerous outpatient and surgery centers, post-acute care provider CarePartners, long-term acute care provider Asheville Specialty Hospital and the region’s only dedicated Level II trauma center. Mission Health has approximately 12,000 employees.

Appointed to this role in April 2019, van Arkel has spent more than 23 years in leadership roles with HCA Healthcare. Throughout his healthcare career, he has served in a variety of financial and operational leadership roles.
Van Arkel earned his bachelor’s degree in Accounting from Stetson University in Florida and his MBA in Healthcare Administration from West Governors University. He is also a Certified Public Accountant.

d. **Role of physicians in governance and strategic leadership**

HCA believes in collaborative decision-making with our physician colleagues and routinely and transparently address issues that jointly impact the hospital and affiliated clinical practices. HCA has designed its structure to incorporate physicians at all levels of the organization.

HCA relies heavily on input from physician leaders at the Hospital, Division and Enterprise level to help us execute on most aspects of our strategic operating agenda. Chief Medical Officers serve on the Executive Management teams of our Hospitals and Divisions. Many service lines in our hospitals are led by a multidisciplinary team of physician and administrative leaders. We are open to exploring new approaches to align our hospital operations with physician leaders to help meet the needs of the community and execute on short- and long-term initiatives.

Many physician committees are local at the hospital or regional level. Some physicians also participate in other groups at the HCA level unique to their service line or specialty including Bone Marrow Transplant, Solid Organ Transplant, Robotic Surgery, Cancer (Sarah Cannon), Pediatrics, and Pediatric Cardiovascular. Physicians also participate in Physician Advisory Boards and Community Advisory Boards.

Medical Executive Committee (MEC) members are selected via an election process through their respective medical staff office. Members of other groups are selection via a combination of methods such as those that hold medical directorships, roles required by regulatory bodies, designated by their own groups or specialties to ensure representation at service line or committee meetings, and appointment by senior management.

5. **Corporate Citizenship and Community Partnership**

a. **Information on charges, services, debt collection protocols and indigent care at facilities owned or operated by the Respondent**

HCA Healthcare believes that our financial engagement with our patients influences not only the first impression a patient may receive inside our system through pre-registration and estimates of cost, but also the last impression as a result of resolving any remaining patient liabilities. To support this belief, HCA offers an overarching program comprised of several support services, excellent charity care and under/uninsured policies, and industry-leading practices that are intended to protect patients from the costs associated with unexpected healthcare needs. Our financial assistance policies are generous and rigorously applied. However, we also have a robust process of attempting to secure insurance coverage (i.e. Medicaid) for uninsured patients who may be eligible.

For any patient responsibilities that remain after financial assistance or other insurance eligibility efforts are exhausted, we ensure any collection efforts are performed in
We have stringent compliance protocols, resources, and technologies devoted to ensuring our collection efforts are compliant and properly focused. We also devote significant efforts to understanding any local or state regulatory guidelines that impact collection efforts.

**b. Three-year history of community benefit programs**

<table>
<thead>
<tr>
<th>Employee Giving</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colleague Giving</td>
<td>$10.5 mil</td>
<td>$9.5 mil</td>
<td>$9.8 mil</td>
</tr>
<tr>
<td>Matching Gifts</td>
<td>$4.8 mil</td>
<td>$4.2 mil</td>
<td>$4.4 mil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hope Fund Grants</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death Related</td>
<td>$1 mil</td>
<td>$700K</td>
<td>$630K</td>
</tr>
<tr>
<td>Disaster</td>
<td>$400K</td>
<td>$1.5 mil</td>
<td>$4 mil</td>
</tr>
<tr>
<td>Domestic Violence</td>
<td>$170K</td>
<td>$140K</td>
<td>$150K</td>
</tr>
<tr>
<td>Illness/Injury</td>
<td>$5.4 mil</td>
<td>$4.7 mil</td>
<td>$3.5 mil</td>
</tr>
<tr>
<td>Other</td>
<td>$860K</td>
<td>$600K</td>
<td>$630K</td>
</tr>
<tr>
<td>Total</td>
<td>$7.8 mil</td>
<td>$7.7 mil</td>
<td>$8.9 mil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HCA Foundation</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Wellbeing</td>
<td>$750K</td>
<td>$839K</td>
<td>$740K</td>
</tr>
<tr>
<td>Basic Needs</td>
<td>$835K</td>
<td>$1 mil</td>
<td>$850K</td>
</tr>
<tr>
<td>Primary Care</td>
<td>$425K</td>
<td>$650K</td>
<td>$350K</td>
</tr>
<tr>
<td>Children &amp; Youth</td>
<td>$487K</td>
<td>$450K</td>
<td>$558K</td>
</tr>
<tr>
<td>Arts</td>
<td>$505K</td>
<td>$511K</td>
<td>$481K</td>
</tr>
<tr>
<td>Nonprofit Capital</td>
<td>$1.6 mil</td>
<td>$2.1 mil</td>
<td>$2.5 mil</td>
</tr>
<tr>
<td>Campaigns &amp; Special Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$5.02 mil</td>
<td>$6.05 mil</td>
<td>$6.02 mil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HCA Healthcare Community Contributions</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civic &amp; Public Affairs</td>
<td>$1.4 mil</td>
<td>$1.8 mil</td>
<td>$1.2 mil</td>
</tr>
<tr>
<td>Culture &amp; Arts</td>
<td>$504K</td>
<td>$839K</td>
<td>$1.1 mil</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$1.04 mil</td>
<td>$946K</td>
<td>$867K</td>
</tr>
<tr>
<td>Health &amp; Social</td>
<td>$25.4 mil</td>
<td>$22.7 mil</td>
<td>$13.9 mil</td>
</tr>
</tbody>
</table>

147  Response to New Hanover Regional Medical Center RFP
<table>
<thead>
<tr>
<th>Services</th>
<th>Disarm Relief</th>
<th>$1.7 mil</th>
<th>$1.6 mil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>$1.4 mil</td>
<td>$1.3 mil</td>
<td>$649K</td>
</tr>
<tr>
<td>Total</td>
<td>$29.7 mil</td>
<td>$29.2 mil</td>
<td>$19.4 mil</td>
</tr>
</tbody>
</table>

c. **Approach to and processes for engaging with community partners, including governmental and non-governmental social service organizations**

HCA Healthcare has long tradition of partnering with a variety of leading organizations to address community issues at both a national and local level. When exploring a partnership opportunity, we conduct due diligence to ensure that prospective partners share our values, passion and commitment to improving our communities. We involve a cross-functional group of leaders in a series of exploratory discussions to ensure that the organizations have a demonstrated track record of delivering excellent service, a focus on delivering measurable impact and possess an innovative mindset to solving problems.

In general, we like to pilot joint programming with new partners in our markets first, before pursuing a national agreement. Many times, our markets will have success locally with a community partner and then they share the outcomes with members of the corporate team, who will then work together on expanding the efforts to other markets and eventually a national agreement, when it is proven to be mutually beneficial. We find the adoption of a shared governance committee, involving relevant subject matter experts from both partners, to oversee the pilot and overall partnership has proven to be a best practice. Working with this shared governance committee, we establish an agreement that outlines the scope, key deliverables, roles & responsibilities, issue resolution process and performance outcomes for each party. By initially pursuing a pilot, both entities have an opportunity to cultivate the working relationship, refine the program model and validate target outcomes before establishing a long term agreement.

By adopting this disciplined approach, we have a number of successful multi-year partnerships that deliver valuable benefits nationally and locally with organizations such as American Red Cross, March of Dimes, National Academy of Medicine, American Cancer Society, The Jason Foundation and National Alliance on Mental Illness.

6. **Operating Information**

a. **Operational trends / key performance indicators:**

i. **System-wide**

As previously referenced, HCA is the largest hospital operator in the country and has unmatched experience in planning, developing, funding, operating and managing hospitals. With operating revenues of $51.3 billion and $7.6 billion of cash flow from operating activities for the most recent calendar year (ending 12/31/19), HCA is financially stable and has the strength and scale to ensure that resources are in place to support NHRMC’s mission for the future.
All other SEC filings, which include balance sheet and income statement, can be found at
http://www.sec.gov/edgar/ (Ticker Symbol: HCA) or http://investor.hcahealthcare.com/sec-
filings.

**ii. Breakout by each major facility**

**iii. Highlight history for recently-affiliated hospitals/health systems**

**iv. Operational trends / key performance indicators should include but are not limited to**

1. Staff retention, turnover, and satisfaction rates by type

   **HCA System wide:**

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>All Staff Turnover</th>
<th>RN Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCA SYSTEM WIDE</td>
<td>16.20%</td>
<td>15.30%</td>
</tr>
</tbody>
</table>

   **Major Facilities:**

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>All Staff Turnover</th>
<th>RN Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>METHODIST HOSPITAL</td>
<td>15.90%</td>
<td>13.00%</td>
</tr>
<tr>
<td>CENTENNIAL MEDICAL CENTER</td>
<td>15.90%</td>
<td>14.20%</td>
</tr>
<tr>
<td>HENRICO DOCTORS HOSPITAL</td>
<td>15.10%</td>
<td>13.50%</td>
</tr>
<tr>
<td>ST DAVID'S MEDICAL CENTER</td>
<td>14.20%</td>
<td>12.20%</td>
</tr>
<tr>
<td>MEDICAL CITY DALLAS</td>
<td>14.00%</td>
<td>14.60%</td>
</tr>
<tr>
<td>P-SL MEDICAL CENTER</td>
<td>12.40%</td>
<td>11.10%</td>
</tr>
</tbody>
</table>

   **Recently Acquired Facilities:**

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>All Staff Turnover</th>
<th>RN Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISSION HOSPITAL</td>
<td>18.70%</td>
<td>17.10%</td>
</tr>
<tr>
<td>MEMORIAL HEALTH UMC SAVANNAH</td>
<td>17.60%</td>
<td>13.60%</td>
</tr>
</tbody>
</table>

2. Inpatient discharges, outpatient visits, visits by type (i.e. emergency, observation, PAC, etc)

   **Major Facilities:**
<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Discharges</th>
<th>Outpatient Visits</th>
<th>ER Visits</th>
<th>Total Surgeries</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCA Healthcare</td>
<td>1,904,963</td>
<td>8,802,772</td>
<td>7,820,174</td>
<td>1,353,953</td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>21,157</td>
<td>139,591</td>
<td>102,118</td>
<td>15,670</td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>30,537</td>
<td>110,605</td>
<td>80,359</td>
<td>19,794</td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>83,063</td>
<td>224,399</td>
<td>298,432</td>
<td>64,926</td>
</tr>
<tr>
<td>P-SL Medical Center</td>
<td>10,264</td>
<td>96,311</td>
<td>33,176</td>
<td>41,512</td>
</tr>
<tr>
<td>St David's Medical Center</td>
<td>26,462</td>
<td>142,331</td>
<td>89,908</td>
<td>18,976</td>
</tr>
<tr>
<td>TriStar Centennial Medical Center</td>
<td>30,644</td>
<td>184,792</td>
<td>87,336</td>
<td>21,066</td>
</tr>
</tbody>
</table>

Recently Acquired Facilities:

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Discharges</th>
<th>Outpatient Visits</th>
<th>ER Visits</th>
<th>Total Surgeries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Health UMC Savannah</td>
<td>25,485</td>
<td>143,092</td>
<td>100,849</td>
<td>18,444</td>
</tr>
<tr>
<td>Mission Hospital</td>
<td>34,049</td>
<td>447,461</td>
<td>86,722</td>
<td>36,354</td>
</tr>
</tbody>
</table>

Note: Metrics based on latest available Medicare cost report data. Methodist Hospital includes multiple campuses of Methodist Healthcare System.

3. **Average length of stay, average daily census, number of beds, bed occupancy rate, and case mix index**

**Major Facilities:**

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Average Length of Stay</th>
<th>Average Daily Census</th>
<th># of Staffed Beds</th>
<th>Bed Utilization Rate</th>
<th>Case Mix Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCA Healthcare</td>
<td>4.9</td>
<td>24,421</td>
<td>42,267</td>
<td>64.4%</td>
<td></td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>5.2</td>
<td>280</td>
<td>340</td>
<td>40.8%</td>
<td>1.77</td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>6.3</td>
<td>507</td>
<td>776</td>
<td>65.3%</td>
<td>2.03</td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>5.3</td>
<td>1,168</td>
<td>1,560</td>
<td>74.9%</td>
<td>1.89</td>
</tr>
<tr>
<td>P-SL Medical Center</td>
<td>7.9</td>
<td>331</td>
<td>350</td>
<td>75.6%</td>
<td>2.08</td>
</tr>
<tr>
<td>St David's Medical Center</td>
<td>4.9</td>
<td>331</td>
<td>350</td>
<td>65.6%</td>
<td>2.08</td>
</tr>
<tr>
<td>TriStar Centennial Medical Center</td>
<td>5.0</td>
<td>405</td>
<td>472</td>
<td>85.8%</td>
<td>2.15</td>
</tr>
</tbody>
</table>

**Recently Acquired Facilities:**

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Average Length of Stay</th>
<th>Average Daily Census</th>
<th># of Staffed Beds</th>
<th>Bed Utilization Rate</th>
<th>Case Mix Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Health UMC Savannah</td>
<td>5.8</td>
<td>399</td>
<td>517</td>
<td>77.1%</td>
<td>2.19</td>
</tr>
<tr>
<td>Mission Hospital</td>
<td>5.8</td>
<td>524</td>
<td>665</td>
<td>78.8%</td>
<td>2.04</td>
</tr>
</tbody>
</table>

*Note: Metrics based on latest available Medicare cost report data. Methodist Hospital includes multiple campuses of Methodist Healthcare System.*

4. **Operating Cost per Case for NHRMC’s top five APR DRGs as provided in the Data Room**
b. Patient satisfaction survey indicators:

i. Breakout by each major facility

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>HCAHPS Overall Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial Medical Center</td>
<td>77%</td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>73%</td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>76%</td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>75%</td>
</tr>
<tr>
<td>P-AL Medical Center</td>
<td>79%</td>
</tr>
<tr>
<td>St. David's Medical Center</td>
<td>79%</td>
</tr>
<tr>
<td>New Hanover Regional Medical Center</td>
<td>75%</td>
</tr>
</tbody>
</table>

ii. Highlight history for recently-affiliated hospitals/health systems

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>HCAHPS Overall Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Satilla Health</td>
<td>South Atlantic</td>
<td>66%</td>
</tr>
<tr>
<td>HCA Houston Tomball</td>
<td>Gulf Coast</td>
<td>61%</td>
</tr>
<tr>
<td>Methodist Hospital South</td>
<td>San Antonio</td>
<td>78%</td>
</tr>
<tr>
<td>HCA Houston Northwest</td>
<td>Gulf Coast</td>
<td>64%</td>
</tr>
<tr>
<td>HCA Houston Med Ctr</td>
<td>Gulf Coast</td>
<td>71%</td>
</tr>
<tr>
<td>Medical City Weatherford</td>
<td>North Texas</td>
<td>71%</td>
</tr>
<tr>
<td>Mission Hospital</td>
<td>North Carolina</td>
<td>73%</td>
</tr>
<tr>
<td>Memorial Health UMC Savannah</td>
<td>South Atlantic</td>
<td>69%</td>
</tr>
<tr>
<td>Highlands Regional Medical Center</td>
<td>East Florida</td>
<td>61%</td>
</tr>
<tr>
<td>Mission McDowell Hospital</td>
<td>North Carolina</td>
<td>74%</td>
</tr>
</tbody>
</table>

b. Quality improvement processes, approach and scores:

HCA is committed to the concept that in the future, only those healthcare systems that excel at quality of care and efficiency will be successful. HCA is currently respected for its
operational efficiency and increasingly, its quality of care. We believe our future success will require continued focus on advancing quality and achieving clinical efficiency.

HCA has a history of supporting our facilities and clinicians with clinical leadership, clinical playbooks, knowledge center support, consultation, performance improvement teams, and clinical data reports and dashboards. Too often in the past, quality and efficiency efforts were implemented around, rather than with physicians.

HCA has tested and deployed a Clinical Excellence program to effectively engage physicians in a partnership to detect and reduce unintended variation. This framework uses key components of traditional quality improvement methodologies such as Lean, Six Sigma and CQI, but adds to them a robust level of integration and support. Over the past three years, this Clinical Excellence approach has reduced complications by 12% and mortality by 10% in key specialty areas (heart attack, open heart surgery, blood stream infection, hip/knee surgery, back surgery and stroke).

Clinical Excellence
A systematic partnership with physicians to discover and reduce unintended clinical variation

i. Breakout by each major facility
Please see our below response to iii. 1-4

iii. Highlight history for recently-affiliated hospitals/health systems
Please see our below response to iii. 1-4

iii. Include the following measures as available:

1. CMS Hospital Readmission Reduction Program (HRRP), Hospital Acquired Condition (HAC), and Value-Based Purchasing (VBP) performance

Major HCA facilities:
### Recent HCA Acquisitions:

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>FY20 RRP Penalty?</th>
<th>FY20 RRP Factor</th>
<th>FY20 HACRP Penalty?</th>
<th>FY20 VBP Penalty?</th>
<th>FY20 VBP Factor</th>
<th>PSI-90</th>
<th>Hosp-Wide Readmits</th>
<th>HAI Overall SIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial Medical Center</td>
<td>TriStar</td>
<td>Yes</td>
<td>0.9807</td>
<td>1.004528</td>
<td>0.72</td>
<td>16.5%</td>
<td>0.687</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>Capital</td>
<td>Yes</td>
<td>0.9899</td>
<td>1.000011</td>
<td>0.71</td>
<td>15.2%</td>
<td>0.745</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>North Texas</td>
<td>Yes</td>
<td>0.9856</td>
<td>0.996945</td>
<td>0.66</td>
<td>14.2%</td>
<td>1.038</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>San Antonio</td>
<td>Yes</td>
<td>0.9933</td>
<td>0.995681</td>
<td>1.03</td>
<td>15.7%</td>
<td>0.846</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P-SSL Medical Center</td>
<td>Continental</td>
<td>Yes</td>
<td>0.9982</td>
<td>0.997460</td>
<td>1.15</td>
<td>15.4%</td>
<td>0.934</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. David's Medical Center</td>
<td>Cent &amp; W TX</td>
<td>Yes</td>
<td>0.9976</td>
<td>1.008319</td>
<td>0.73</td>
<td>14.6%</td>
<td>0.595</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Hanover Regional Medical Center</td>
<td></td>
<td>Yes</td>
<td>1.0000</td>
<td>0.988232</td>
<td>0.94</td>
<td>14.5%</td>
<td>0.912</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### Major HCA facilities:

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>Mortality Comp (CMS Star)</th>
<th>AMI Mort</th>
<th>HF Mort</th>
<th>PN Mort</th>
<th>COPD Mort</th>
<th>STK Mort</th>
<th>Maternal Mort Rate</th>
<th>CABG Mort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial Medical Center</td>
<td>TriStar</td>
<td>Same Nat'l Avg</td>
<td>11.7%</td>
<td>10.3%</td>
<td>18.6%</td>
<td>9.1%</td>
<td>12.8%</td>
<td>0.00%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>Capital</td>
<td>Same Nat'l Avg</td>
<td>12.5%</td>
<td>10.2%</td>
<td>16.4%</td>
<td>10.1%</td>
<td>14.0%</td>
<td>0.00%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>North Texas</td>
<td>Same Nat'l Avg</td>
<td>13.1%</td>
<td>9.9%</td>
<td>13.3%</td>
<td>8.4%</td>
<td>16.1%</td>
<td>0.02%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>San Antonio</td>
<td>Same Nat'l Avg</td>
<td>14.4%</td>
<td>10.3%</td>
<td>14.7%</td>
<td>8.3%</td>
<td>14.8%</td>
<td>0.00%</td>
<td>4.8%</td>
</tr>
<tr>
<td>P-SSL Medical Center</td>
<td>Continental</td>
<td>Same Nat'l Avg</td>
<td>12.9%</td>
<td>13.3%</td>
<td>15.3%</td>
<td>8.0%</td>
<td>N/A</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>St. David's Medical Center</td>
<td>Cent &amp; W TX</td>
<td>Above Nat'l Avg</td>
<td>11.5%</td>
<td>7.9%</td>
<td>13.6%</td>
<td>8.2%</td>
<td>12.8%</td>
<td>0.02%</td>
<td>3.1%</td>
</tr>
<tr>
<td>New Hanover Regional Medical Center</td>
<td></td>
<td>Below Nat'l Avg</td>
<td>13.4%</td>
<td>12.2%</td>
<td>17.7%</td>
<td>10.1%</td>
<td>15.1%</td>
<td>Unknown</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Recent HCA Acquisitions:
### 3. Leapfrog Hospital Grade

**Major HCA facilities:**

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>Leapfrog Fall 2019 Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial Medical Center</td>
<td>TriStar</td>
<td>A</td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>Capital</td>
<td>A</td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>North Texas</td>
<td>A</td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>San Antonio</td>
<td>B</td>
</tr>
<tr>
<td>P- SL Medical Center</td>
<td>Continental</td>
<td>A</td>
</tr>
<tr>
<td>St. David’s Medical Center</td>
<td>Cent &amp; W TX</td>
<td>A</td>
</tr>
<tr>
<td>New Hanover Regional Medical Center</td>
<td>B</td>
<td></td>
</tr>
</tbody>
</table>

**Recent HCA Acquisitions:**

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>Leapfrog Fall 2019 Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Satilla Health</td>
<td>South Atlantic</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>HCA Houston Tomball</td>
<td>Gulf Coast</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>Methodist Hospital South</td>
<td>San Antonio</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>HCA Houston Northwest</td>
<td>Gulf Coast</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>HCA Houston Med Ctr</td>
<td>Gulf Coast</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>Medical City Weatherford</td>
<td>North Texas</td>
<td>Below Nat’l Avg</td>
</tr>
<tr>
<td>Mission Hospital</td>
<td>North Carolina</td>
<td>Below Nat’l Avg</td>
</tr>
<tr>
<td>Memorial Health UMC Savannah</td>
<td>South Atlantic</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>Highlands Regional Medical Center</td>
<td>East Florida</td>
<td>Same Nat’l Avg</td>
</tr>
<tr>
<td>Mission McDowell Hospital</td>
<td>North Carolina</td>
<td>Same Nat’l Avg</td>
</tr>
</tbody>
</table>
### 4. CMS Star Rating

**Major HCA facilities:**

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>Leapfrog Fall 2019 Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Satilla Health</td>
<td>South Atlantic</td>
<td>B</td>
</tr>
<tr>
<td>HCA Houston Tomball</td>
<td>Gulf Coast</td>
<td>B</td>
</tr>
<tr>
<td>Methodist Hospital South</td>
<td>San Antonio</td>
<td>A</td>
</tr>
<tr>
<td>HCA Houston Northwest</td>
<td>Gulf Coast</td>
<td>B</td>
</tr>
<tr>
<td>HCA Houston Med Ctr</td>
<td>Gulf Coast</td>
<td>C</td>
</tr>
<tr>
<td>Medical City Weatherford</td>
<td>North Texas</td>
<td>A</td>
</tr>
<tr>
<td>Mission Hospital</td>
<td>North Carolina</td>
<td>C</td>
</tr>
<tr>
<td>Memorial Health UMC Savannah</td>
<td>South Atlantic</td>
<td>C</td>
</tr>
<tr>
<td>Highlands Regional Medical Center</td>
<td>East Florida</td>
<td>C</td>
</tr>
<tr>
<td>Mission McDowell Hospital</td>
<td>North Carolina</td>
<td>A</td>
</tr>
</tbody>
</table>

**Recent HCA Acquisitions:**

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Division</th>
<th>Jan 2020 CMS Star Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial Medical Center</td>
<td>TriStar</td>
<td>3</td>
</tr>
<tr>
<td>Henrico Doctors Hospital</td>
<td>Capital</td>
<td>4</td>
</tr>
<tr>
<td>Medical City Dallas</td>
<td>North Texas</td>
<td>5</td>
</tr>
<tr>
<td>Methodist Hospital</td>
<td>San Antonio</td>
<td>3</td>
</tr>
<tr>
<td>P-SL Medical Center</td>
<td>Continental</td>
<td>3</td>
</tr>
<tr>
<td>St. David’s Medical Center</td>
<td>Cent &amp; W TX</td>
<td>5</td>
</tr>
<tr>
<td>New Hanover Regional Medical Center</td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>
d. Past hospital and health system acquisitions:

i. Executive summary of all acquisitions in the past 10 years discussing transaction type and the operational and financial commitments made by Respondent to the acquired organization

HCA Acquisitions of acute care hospitals in last 10 years include:

<table>
<thead>
<tr>
<th>Date</th>
<th>Hospital Name</th>
<th>Division</th>
<th>Jan 2020 CMS Star Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/01/11</td>
<td>Mercy Hospital</td>
<td>South Atlantic</td>
<td>3</td>
</tr>
<tr>
<td>02/01/12</td>
<td>Galichia Heart</td>
<td>Gulf Coast</td>
<td>1</td>
</tr>
<tr>
<td>11/30/12</td>
<td>Thousand Oaks Surgical Hospital</td>
<td>San Antonio</td>
<td>5</td>
</tr>
<tr>
<td>02/28/14</td>
<td>Grandview 70 bed hospital</td>
<td>North Carolina</td>
<td>5</td>
</tr>
<tr>
<td>09/30/13</td>
<td>IASIS Tampa, FL - Palms of Pasadena Hospital, Memorial Hospital of Tampa, and Town &amp; Country Hospital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/14</td>
<td>Citrus Memorial Hospital 200 bed hospital</td>
<td>Inverness, FL</td>
<td>3</td>
</tr>
<tr>
<td>11/06/14</td>
<td>Cache Valley Hospital, 22 bed hospital</td>
<td>North Logan, UT</td>
<td>2</td>
</tr>
<tr>
<td>05/01/15</td>
<td>Putnam Community Medical Center, 99 bed hospital</td>
<td>Palatka, FL</td>
<td>3</td>
</tr>
<tr>
<td>03/31/16</td>
<td>Forest Park Medical Center, 54 beds</td>
<td>East Florida</td>
<td>1</td>
</tr>
<tr>
<td>05/17/16</td>
<td>Forest Park Medical Center, 46 beds</td>
<td>North Carolina</td>
<td>4</td>
</tr>
<tr>
<td>04/30/17</td>
<td>Satilla Regional Medical Center, 231 beds</td>
<td>Waycross, Ga</td>
<td>1</td>
</tr>
</tbody>
</table>
ii. Operating trends / key performance indicator history for each acquired organization

| Facility Name                                      | Discharges | Outpatient Visits | ER Visits | Total Surgeries | Avg Length of Stay | Avg Daily Census | # of Staffed Beds | Bed Util. Rate | Case Mix Index |
|---------------------------------------------------|------------|-------------------|-----------|-----------------|-------------------|-----------------|-------------------|---------------|----------------|----------------|
| Angel Medical Center                              | 1,556      | 42,931            | 18,427    | 2,347           | 3.4               | 14              | 25                | 55.2%         | 1.26           |
| Blue Ridge Regional Hospital                      | 1,256      | 34,044            | 12,588    | 1,183           | 3                 | 14              | 25                | 47.7%         | 1.16           |
| Cache Valley Hospital                             | 693        | 11,906            | 3,381     | 4,185           | 2.3               | 4               | 13.8              | 70            | 1.23           |
| CarePartners Rehabilitation Hospital              | 1,441      | 13,352            |           |                 | 13.8              | 54              | 70                | 77.6%         | 1.23           |
| Citrus Memorial Hospital                          | 10,707     | 38,582            | 37,160    | 7,259           | 4.3               | 123             | 204               | 60.4%         | 1.58           |
| HCA Houston Healthcare Med Ctr (AIKA Park Plaza)  | 3,529      | 16,437            | 10,914    | 2,537           | 6.2               | 60              | 133               | 44.9%         | 1.75           |
| Highlands Regional Medical Center                 | 3,269      | 24,742            | 24,066    | 4,024           | 4                 | 34              | 110               | 30.6%         | 1.53           |
| Highlands-Cashiers Hospital                       | 230        | 16,158            | 4,822     | 0.9             | 9                 | 24              | 35.7%             | 1.06          |                |
| Houston Northwest Medical Center                  | 15,465     | 69,310            | 78,364    | 10,772          | 4.5               | 169             | 288               | 58.8%         | 1.68           |
| Weatherford Regional Medical Center               | 5,286      | 37,445            | 27,981    | 10,863          | 3.8               | 51              | 82                | 62.3%         | 1.5            |
| Memorial Health UMC Savannah                      | 25,485     | 143,092           | 100,849   | 18,444          | 5.8               | 399             | 517               | 77.1%         | 2.19           |
| Memorial Hospital of Tampa                        | 4,039      | 16,518            | 19,825    | 4,752           | 4                 | 44              | 147               | 29.9%         | 1.45           |
| Memorial Satilla Health                           | 7,143      | 60,431            | 33,298    | 6,462           | 3.6               | 70              | 134               | 51.9%         | 1.37           |
| South Texas Regional Medical Center               | 1,711      | 17,220            | 19,868    | 2,088           | 3.1               | 14              | 67                | 20.2%         | 1.27           |
| Mission Hospital - Asheville                      | 34,049     | 447,461           | 86,722    | 36,354          | 5.8               | 524             | 665               | 78.8%         | 2.04           |
| Mission Hospital McDowell                         | 2,026      | 69,281            | 20,727    | 1,960           | 4.1               | 21              | 49                | 43.7%         | 1.31           |
| North Cypress Medical Center                      | 173,227    | 55,398            | 17,712    |                |                  |                 | 139               | 1.72          |                |
| Palms of Pasadena Hospital                        | 5,017      | 29,773            | 15,314    | 4,796           | 5.4               | 74              | 167               | 44.2%         | 1.56           |
| Putnam Community Medical Center                   | 5,469      | 39,798            | 39,772    | 2,226           | 4.2               | 61              | 99                | 61.9%         | 1.42           |
| Tomball Regional Medical Center                   | 8,438      | 36,295            | 36,608    | 10,383          | 4.8               | 107             | 194               | 55.2%         | 1.63           |
| Transylvania Regional Hospital                    | 1,405      | 86,667            | 16,226    | 2,580           | 3.8               | 15              | 25                | 61.3%         | 1.24           |

Note: Operating metrics are not available for some acquired facilities due to consolidation of reporting entities, current operational status, or timing of affiliation.
e. Corporate affiliations, joint ventures and other relationships

i. Executive summary of all corporate affiliations, joint ventures and other relationships with hospitals or health systems in the past 10 years discussing strategic partnership type and the operational and financial commitments made by Respondent to the partner organization

In the past 10 years, HCA has not entered into a joint venture arrangement that operates an acute care hospital. However, HCA is a party to three long-standing joint ventures that operate acute care facilities in San Antonio, TX, Austin, TX, and Alexandria, LA.

ii. Operating trends / key performance indicator history for each corporate affiliation, joint venture or other relationship with a hospital or health system

As referenced to response 6.e.i, HCA has not entered into a joint venture arrangement that operates an acute care hospital in the past 10 years.

iii. Summary of any corporate affiliations, joint ventures and other relationships excluding those with hospitals and health systems in e.i.

HCA is an investor partner in a number of entities. The list below is a representative sample of the types of organizations with which HCA has developed relationships.

Healthcare Delivery


HCA Ambulatory Services Division – HCA operates and manages more than 120 ambulatory surgery centers. The vast majority of these facilities are structured as a joint venture relationship with one or more physicians in the market.

Solis Mammography Joint Venture – Manages and operates women’s health-focused outpatient imaging centers

Valesco Physician Services Joint Venture – Hospital-based physician joint venture with a national provider of such services.

Education

Galen College of Nursing – One of the nation’s largest nursing educators

Innovation Investments

Civica Rx – Not for profit generic drug company founded by seven leading health systems, including HCA Healthcare, to address shortages of common generic drugs
Digital Reasoning – Artificial Intelligence/Machine Learning natural language processing company

Healthbox Nashville – Early stage healthcare incubator

Loyale – Patient financial engagement and revenue cycle management company enabling patients to generate personal financial plans and consolidate payments

Mobile Heartbeat – Mobile clinical communication company enabling clinicians and care team members to securely communicate and collaborate on patient care from mobile devices.

Genospace – Clinical-genomic data aggregation and analytics company supporting improved drug development & research, clinical trial matching & recruiting and clinical decision support

1. Hospital Accreditation agency and most recent report for each major facility

HCA hospitals are accredited by the Joint Commission, the most recent reports for each major facility are provided as supplemental files. As a whole, HCA Healthcare performs very favorably compared to national averages. For quick reference, please also see the below graphic of HCA Joint Commission scores against national benchmarks.

Major Hospitals:
- Presbyterian/St. Luke’s Medical Center
- TriStar Centennial Medical Center
- Medical City Dallas
- Methodist Hospital
- Henrico Doctors’ Hospital
- St David’s Medical Center

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<tr>
<th>2019 HCA Healthcare Excels Compared to National Averages</th>
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<td>Group</td>
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<tr>
<td>Condition-Level Deficiencies</td>
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<td>Accreditation with Follow-Up Survey</td>
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<td>Immediate Threat to Health and Safety</td>
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<td>SAFER® Matrix Box 7-9 RFIs</td>
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HCA Healthcare®
7. **Corporate Services**

a. **Major information technology platforms and capabilities**

i. **EMR(s)**

While HCA has the capability to support various platforms including MEDITECH, EPIC and Cerner, MEDITECH is the primary EMR deployed across the company. As the largest client of MEDITECH, HCA has developed a level of expertise with this product.

ii. **Integrated business applications covering core processes (financial management, operations data, supply chain)**

- **Financial** - General Ledger (HOST), Accounts Payable, Budget, Cashiering, Decision Support, Patient Accounting, Quantitative Management Information Reporting System (QMIRS)
- **HR/Payroll** – Lawson, KRONOS
- **Supply Chain** – SMART “Proprietary”; Remedy, GHX, Optiflex, Lawson (AP), Vira, IMS, Onbase
- **Revenue Cycle** – Patient Accounting (HOST) “Proprietary”
- **Clinical** – Meditech, Cerner, EPIC, Patient Keeper, Horizon Patient Folder
- **Technical** – Microsoft, Cisco, Nutanix, HP

**IT Focus Areas:**

**Focus on IT Operations**: Our mission is to help transform healthcare by delivering information technology and solutions that dramatically improve patient care and business operations.

- **HIGH AVAILABILITY**
  Focus on establishing a new level of technology resiliency and enterprise wide operational processes to create a solid foundation.

- **SECURITY**
  IT Security, including Cybersecurity, is ranked as one of HCA’s Top Ten Business Risks. IPS is vigilanty on the lookout for potential threats, both internal and external, malicious and unintentional, to our company and our people.

- **MOBILITY**
  Support and protect our enterprise as we migrate to being fully mobile, this involves providing a great mobility experience and delivering responsive support.
• **CULTURE**
  Establish an environment where people feel inspired to go above and beyond means building a culture of compassion, community, and commitment to the development of our employees.

**Focus on Physicians:** Streamline workflows, increase efficiency, and improve the access and delivery of secure information on-the-go.

• **PATIENTKEEPER and PK Now**
  Allow a single view of patient health information (PHI) across a variety of hospital systems, to streamline workflow and to help improve patient care.

• **HIE**
  Enable the clinical team to view the longitudinal patient record and deliver a comprehensive record to providers and HCA partners.

• **NOTIFICATION PLATFORMS**
  Manage electronic notifications sent to physicians, these notifications can originate from HCA clinical and non-clinical systems, or from analysis of real time data feeds.

• **ANALYTICS - SPOT**
  Sepsis is the number one non-cardiac killer in our hospitals and the Sepsis Prevention through Optimization of Therapy – or SPOT Dashboard – is enabling early recognition of sepsis in patient

**Focus on Nurses:** Technology to help return the nurse to the patient bedside through increased efficiency and enabling a fully mobile workforce.

• **EBCD**
  Clinical evidence drives the content being charted, screen design and arrangement of data elements focus on the needs of nurses and the rhythm of their workflow during patient care.

• **Nurse Call**
  Utilize a simple call bell system found in patient rooms and nurses’ stations and transform it into to an advanced, integrated technology platform.

• **Mobile Heartbeat**
  Provide a collaboration platform to allow secure, patient-centric communication between care team members including the eventual deployment of over 100,000 mobile devices.

• **Nurse Issue Resolution**
  Allow nurses and nurse leaders to report issues and receive information on resolution status, the solution will enable quick issue identification and closed loop communications.
Focus on the Patient: Provide a seamless, intuitive digital experience to engage patients and provide consumers the overall management of their healthcare journey.

- **PORTALS**
  Allow patients to get access to their medical records, lab results, etc. from anywhere and pay their bill and connect with providers.

- **TV as a PLATFORM**
  Bring together entertainment and clinical information on a single platform, future phases will include real-time location services, patient education, dietary ordering and video enablement.

- **ORB\(\text{I}T\)**
  Better serve our patients through nurse leader rounding by improving our nurse’s productivity, outcomes, and save valuable time.

- **EXPRESS REGISTRATION**
  Part of Parallon’s Patient Experience program, it has been implemented to meet the self-service model that patients have become accustomed to in their daily lives.

b. Please provide a summary of your organization’s shared corporate service resources that NHRMC could access:

i. **Purchasing/supply chain**

**Purchasing**

An HCA subsidiary, Parallon’s HealthTrust Purchasing Group (HealthTrust) is the industry’s leading group purchasing organization, providing sustainable savings for supplies and expert sourcing for medical device and purchased services. It is the only GPO with a truly committed model—with member-driven decision making, compliant purchasing and a national portfolio of value that consistently delivers 7-12% greater savings than any other purchasing alliance. HealthTrust delivers the broadest contract coverage, with nearly 80 percent of a hospital’s typical spend covered by our portfolio of services. We utilize our $20 billion in committed spend to successfully deliver the lowest pricing in the industry and create custom contracting for medical devices.

HealthTrust is operated by its member hospital providers, HCA, LifePoint Hospitals, Community Health Systems, Universal Health Services, and the leading Catholic stakeholder systems including CommonSpirit and Trinity. We also have a global footprint that extends to Europe and Asia.

The strength of HealthTrust is the alignment of our members, led by experienced clinical leaders and member advisory boards who conduct a rigorous product vetting and approval process to ensure the best product and price selection. Our membership includes over 1,400 not-for-profit and for-profit acute care facilities and 440 surgery centers, 75 alternative sites, and 2,600 physician practices. This industry-differentiating process drives all procurement.
activities and decisions, ensuring that member requirements are addressed and that there will be a strong commitment to on-contract purchasing.

HealthTrust services include:

- National contract coverage – includes extensive purchased services portfolio and capital group buys
- SourceTrust – market-leading custom medical device agreements through category expertise, market intelligence, and physician leadership alignment
- SpendTrust – medical/surgical and pharmacy technology solutions and benchmarking support to optimize contracts and identify utilization opportunities
- AdvantageTrust – extends acute-care pricing to affiliated alternate-care sites
- CoreTrust – adds utilize to indirect spend categories (e.g. PBM, parcel, IT hardware) via Fortune 1000 non-healthcare members
- Global Sourcing – utilizes committed model to direct-source commodities at substantial savings

Supply Chain

Parallon’s Supply Chain Solutions offers a shared services approach, perfected by HCA to reduce time and energy spent on self-contracting, as well as optimizing hospital inventory capacity. We provide consulting and outsourced services designed to optimize supply chain operations in the areas of Clinical Resource Management (CRM), value analysis, inventory utilization and product standardization, pharmacy order entry, operating room optimization, purchasing, accounts payable, and distribution.

Parallon’s supply chain team has successfully transformed hospitals and acute facilities with its shared services platform, resulting in over $1 billion in documented savings. With over a decade of innovative accomplishments at HCA, the Parallon business model and best-practice methodologies enable clients to develop, implement and monitor initiatives to improve operations and drive savings. Since Parallon’s inception, our successful materials management has reduced the need for hospital storage space by nearly 350,000 square feet.

- Parallon operates seven consolidated service centers (purchasing, accounts payable, customer service, regional warehousing, and pharmacy order entry), thirteen consolidated distribution centers and three super centers, for disaster recovery.
- Our full-service, integrated business model encompasses customized consulting and outsourcing solutions that improve clinical, operational, and financial outcomes including:
• Clinical resource management – comprehensive value analysis along with product standardization, utilization, and proprietary supply chain initiatives

• Shared services expertise – purchasing, A/P, warehousing, and logistics operations

• Operating room – efficiencies and optimization

• Pharmacy – assessments, custom formularies, and centralized order entry

• Centralized master file – normalization and ongoing maintenance

• Business continuity – comprehensive disaster preparedness and response planning

• In addition, we utilize a broad range of experience and innovation to provide the following: assessments, gap analysis, shared service recommendations, business case development, operations management, or a comprehensive outsource partner relationship

• Process improvement models (e.g., Six Sigma, Lean)

**ii. Revenue cycle management**

As the nation’s largest and most advanced shared services model in the healthcare industry, HCA’s wholly-owned subsidiary, Parallon, pairs its provider heritage with industry-leading scale, robust data analytics, proven best practices, and operational expertise to drive exceptional, predictable results for HCA hospitals, more than 650 other hospitals, and over 3,500 physician practices spanning 41 states and the District of Columbia. Through Parallon’s 18,000 professionals, 8 full-service shared services centers, and 9 specialty centers, it collects more than $52 billion in cash, manages more than 23 million patient registrations, and overturns $1.7 billion in underpaid and denied claims annually.

We take a people, process, and technology approach to revenue cycle management that evaluates financial impact, identifies areas for improvement, deploys the appropriate resources, and analyzes results. Parallon manages the entire revenue cycle process, inclusive of various support functions, from patient registration and health information management through complete account resolution. We add efficiencies of scale and expertise by managing front- and back-end processes, reducing the number of outsourced vendors, and utilizing our award-winning customer service teams and dedicated management.

Parallon understands how to navigate the complexities of healthcare and hospital systems. We are committed to protecting our providers in all revenue cycle legal and compliance-related activities. As a testament, we heavily invest in dedicated compliance, education and quality assurance teams, and protocols. We have a robust compliance, project management, and education infrastructure (state-of-the-art facilities, training programs, etc.) that ensure our roster of dedicated professionals are always up-to-date on the latest industry changes and
knowledgeable and confident in everything they do. Many of our locations have been honored as “One of the Best Places to Work.”

The revenue cycle team puts creative and innovative solutions and advanced technology to work for our hospitals. We pride ourselves on being ahead of the curve on major technology and industry changes. Our robust data warehouse and reporting portal allow our hospitals to access, analyze, and take action on relevant information quickly and easily. Our latest initiatives involve the use of ground-breaking data science and investing in next generation big data prediction and probability analysis.

Beyond providing full-service management from end-to-end across the revenue cycle to more than 230 hospitals, Parallon also provides specialty solutions such as Medicaid Eligibility, Early Out, and Self Pay services spanning the revenue cycle to approximately 100 other health system clients.

iii. Strategic planning

HCA Planning Process

HCA’s planning process is unique, in part, due to its size and scale. Given that HCA operates in 21 states, the United Kingdom and in over 40 U.S. markets, no single strategic plan can meet the distinct needs of every community. As a result, HCA has planning processes at the enterprise, market and facility levels, as well as across several lines of business. From an enterprise level, the organization sets several overarching strategic objectives that span a 3-5 year horizon, many of which are based on observations of both national and local trends. These enterprise objectives translate into a strategic guiding principles.

- Committed to industry leading quality & service
- Industry leading efficiency
- Growth through patient & physician relationships
- Development of future leaders
- A well-informed response to the market environment

Each market and facility develops its own strategic plan in alignment with the enterprise objectives annually, uniquely tailored to its competitive environment. The enterprise strategic initiatives are broadly implemented at the local level and adopted by local management, while others are modified, as appropriate, based on applicability to local dynamics.
At each level of planning, management is able to draw upon a robust set of internal analytics, business intelligence and benchmarking from across HCA. The ability to learn from the experience of many markets and share best practices across markets is a competitive advantage unavailable to many of HCA’s competitor health systems. In addition to analytics, management benefits from the expertise of clinical service line business leaders. These leaders serve as advisors to local management during planning and support effective implementation of local strategies. In turn, the clinical service lines are also able to gather local intelligence that informs enterprise planning.

Regional and Market Plans

Each market develops annual business plans focused on the initiatives market leader believe are key to achieving long-term sustainable growth for their community. To ensure consistency across the organization and align with HCA’s overarching strategy, the strategic plans for each of our markets focus on a core set of tactics implemented locally. The tactics for sustainable growth typically include:

- improve access and convenience for the patient;
- develop comprehensive service lines to meet the needs of the local community and surrounding region;
- improve care coordination;
- enhance and strengthen relationships with physicians;
- expand our markets by implementing outreach efforts into outlying markets;
- utilize the economies of scale and skill across HCA.
At a corporate level, HCA uses its scale to support local strategies by investing in technology and shared service platforms. The collection of growth strategies across the company enables HCA to have an unparalleled perspective of the dynamics that allow healthcare providers to be successful.

**iv. Business development**

Similarly to Strategic Planning, HCA’s business development process is unique due to its size, scale, and presence across several markets and states. As a result, HCA is vertically aligned for business development at the enterprise, market and facility levels, as well as across several lines of business.

Each market has a Chief Development Officer who is responsible for aligning market development plans and goals to enterprise goals annually. Development plans are uniquely tailored to the priorities of each local market. Development plans include physician recruitment or alignment, physician group acquisition, strategic partnerships, programmatic and service line development, and development of new access sites such as FSER’s, Urgent Care, or Health Parks.

Development leadership from Corporate and local markets meet quarterly, which facilitates the sharing of best practices across the development agenda. This drives enterprise execution of strategies and best practices in each market. The ability to learn from the experience of many markets and share best practices across markets is a competitive advantage unavailable to many of HCA’s competitor health systems and has been an integral component in the success of our business development efforts.

**v. Accounting**

The accounting function within HCA Healthcare is distributed across all levels of the organization to provide an appropriate balance between consistent standards and controls and the ability for local teams to manage their finances.

The corporate accounting and financial reporting functions provide many services that benefit HCA hospitals, including but not limited to the following:

- Establishing common accounting policies and procedures to be used across the enterprise.
- Providing management and internal financial statement reporting
- Handling external reporting and filing requirements
- Managing intercompany transactions
- Providing accounting support for corporate-sponsored capital projects
- Maintaining the lease accounting model and supports hospitals who use it
- Managing other support services, such as corporate accounts payable and travel management
With support from the corporate and division accounting teams, hospitals conduct their operations accounting at the local level, including ensuring the accuracy of all journal ledger and transactions, managing the standard managed care accrual process, and ensuring compliance with all accounting policies.

Additionally, the corporate accounting function provides resources and support for all accounting and finance professionals within HCA through its Hospital Accounting Resources & Tools (HART) repository and its training curriculum, HART University. HCA Healthcare also supports its hospitals’ accounting practices through its internal audit function.

**vi. Treasury functions (e.g. cash and investment management, debt issuance and management, accounting)**

The overarching theme for HCA cash management is centralization and consistency. We standardize processes in support of the entire shared service center organization (revenue cycle, supply chain, payroll, physician credentialing, etc.). The very essence of this strategy relieves hospitals of the majority of daily cash management, treasury and investing functions, which in turn reduces overhead administrative costs.

The goal of the Cash Management Department is to optimize the amount of cash available for debt retirement, investment and other corporate purposes through integrated cash concentration and disbursement systems designed to be efficient, cost-effective and secure. The primary objective is to maximize the use of corporate cash by accelerating cash inflows and controlling cash outflows. The maximization of cash is accomplished through the use of effective collection, concentration and disbursement systems combined with appropriate borrowing and investing strategies. This includes the following:

- Maintaining appropriate bank account structures and relationships
- Providing bank account documentation and resolutions
- Preparing and reporting daily cash position
- Reviewing bank fees and negotiating appropriate compensation
- Liability and other insurance

When it comes to liability and other insurance, HCA’s size and scale gives us a distinct cost advantage over freestanding hospitals or smaller systems. The company’s size and purchasing power drives our economies of scale resulting in lower premiums for commercial insurance protection. The company’s size and geographic spread of risk allows us to tolerate large deductibles which contribute to lower operational cost. Being the largest hospital operator in the country has enabled us to create the largest claims database nationwide. Access to this database provides a basis for credible actuarial reserving estimates without the inherent conservatism associated with estimates made from smaller data sets. This leads to lower and more predictable expense run rates. This, coupled with centralized claims management comprised of seasoned professionals each with an average of more than 20
years’ experience, contributes to efficient processes and effective results for HCA and its partners.

vii. Employee benefit administration and programs

HCA has a corporate infrastructure with expertise in multiple human resources specialties such as employee and labor relations, compensation, benefits, recruiting, talent management, learning/training, and human resources information systems that support and deliver programs, policies, and tools to our facilities. This corporate support frees up facility HR staff to focus on strategic initiatives that are important to their hospital.

The expense of our HR centers of excellence is spread across all of our facilities, resulting in lower expense than would be required if each facility had to operate independently. We are able to utilize our size to take advantage of superior pricing and contract terms for third-party products and services to minimize our per-unit cost. We are able to self-insure benefit plans to eliminate profit that may be built into fully-insured programs. Our Total Rewards team continuously reviews our data to identify trends, behavioral shifts, and other factors that affect plan costs. This information is used to manage vendors and design plans that provide a compliant, fair, and cost-effective total rewards program for all employees. In-house legal counsel provides support with employment matters.

We believe that the shared services concept increases organizational efficiency, and we are launching an HR Support Model initiative to expand the use of this concept in HR across our organization. Our plan includes additional standardization and automation of HR processes and vendors, service center support for certain HR transactions, and increasing the skill level of our HR personnel to serve as business partners who have the ability and availability to contribute real solutions to on-the-ground workforce limitations, risks, or problems faced by operations. Comprehensively addressing the way HR is delivered at HCA enables our HR function to adapt and respond to changing business needs and priorities.

HCA offers fair and competitive benefits packages that include health benefits, retirement savings, education assistance, time away from work, and much more. HCA Health and Wellness benefits include medical, dental, wellness, and employee assistance programs. Financial benefits include tuition reimbursement, student loan assistance, certification support, HCA Healthcare Scholar Program, and education and college advising. Additional extra offerings at HCA are adoption assistance, long-term care coverage, disability and life insurance, childcare resources, auto and home insurance, consumer discounts, moving assistance, pet insurance, identity theft protection, and legal benefits. The HCA 401(k) plan is one of the most generous provided by any healthcare or large employer, and the employee-paid portion of HCA medical costs is less than the national trend. Additional offerings for retirement and personal finance are the HCA employee stock purchase program, flexible spending accounts, and a financial fitness program.

viii. Risk management programs (purchase of liability and other insurance)
HCA’s large claims database with many consistently coded attributes supports robust risk analysis that leads to effective loss prevention initiatives. As a result, HCA’s malpractice costs compare favorably to industry peers at approximately 1.0% of revenues, or $100 per equivalent admission. A 10-year loss prevention initiative to lower the incidence of diagnostic claims in the Emergency Department (ED) has driven HCA’s ED claims to a rate of 3.3 per 100,000 ED visits compared to 4.5 for the industry. These are just a few of the many examples where HCA’s size and scale has resulted in effective risk management practices that affect the bottom line.

**ix. Legal and compliance services**

The HCA Legal Department provides direct legal services to HCA facilities, including matters relating to employment and labor issues, acquiring and divesting assets and operations, contracts, peer review, HIPAA, EMTALA, Stark, Anti-kickback statute and patient care issues. Every effort is made to provide such services internally, but some matters are referred to outside counsel with the Legal Department providing the appropriate oversight of services. In addition to ensuring the overall quality of legal work being performed, the Legal Department also strives to contain and reduce the overall legal expense by either performing the services in-house or effectively managing the use of outside legal counsel.

The HCA Ethics and Compliance Department is dedicated to promoting compliance with laws and regulations, “doing the right thing” under all circumstances, and a culture of integrity throughout the organization. The program addresses the OIG’s seven elements of an effective compliance program. The Senior Vice President and Chief Compliance Officer reports directly to the CEO of HCA Healthcare and also has direct access to the Board. Oversight is provided by the corporate Ethics and Compliance Department, other key corporate departments, and Responsible Executives at the corporate office who serve as subject matter experts in areas of compliance risk. Responsibilities for program implementation are then delegated to division and facility level Ethics and Compliance Officers.

Standards are set through the Code of Conduct, policies and procedures and Compliance Alerts. All employees receive Code of Conduct training at the time of hire and annually thereafter. Additional training about key compliance risks is developed for a variety of positions across the enterprise.

**Compliance Program**

We maintain a comprehensive ethics and compliance program that is designed to meet or exceed applicable federal guidelines and industry standards. The program is intended to monitor and raise awareness of various regulatory issues among employees and to emphasize the importance of complying with governmental laws and regulations. As part of the ethics and compliance program, we provide annual ethics and compliance training to our employees and encourage all employees to report any violations to their supervisor, an ethics and compliance officer or to the Company’s ethics line available 24 hours a day by phone and internet portal.
x. Any additional shared or corporate services that may benefit NHRMC

Other examples of shared services include:

Performance Improvement

HCA has a dedicated Performance Improvement (PI) Team with the mission to “Leverage innovative tools and best practices to drive the delivery of high quality, cost effective patient care”. The PI Team resources are available to support facilities and divisions to improve processes directly tied to patient care delivery and outcomes. We would evaluate the Lean Production work in conjunction with HCA’s systems to continue efforts to support process improvement.

PI focus areas include but not limited to:

- **Clinical Excellence** – Ventilator days, Sepsis, Mortality, Blood Utilization, Length of Stay on HF, COPD, PNE
- **Bed Management** – Appropriate placement of patients to maximize care, nursing unit configuration, unit admission criteria
- **Labor Management** – Ensuring that proper staff levels are available to provide excellent patient care
- **Surgical Services** – Improve Physician experience in scheduling cases, turnaround times, IUSS rates, reasons for cancellations
- **Emergency Services** – Improve Patient experience improving arrival to physician interaction, discharge length of stay, ancillary testing times
- **Support Services** – Project Management, Financial, Training & Education

Customer Relationship Management

HCA’s CRM strategy is to apply universally proven CRM tactics to address the growing consumerism trend in healthcare. This positions HCA to better identify and engage consumers and patients in a manner aligned with key growth and clinical initiatives. HCA utilizes our contact centers across the US to execute this strategy, engaging in over 1.4 million patient encounters annually across the continuum. Patient encounter types include appointment services, clinical advice, event registration, physician referrals, and portal support.

Project Management Services

With more than 100 dedicated employees, Parallon’s Project Management Solutions is a full-service project management group that manages everything from project execution to accountability, aligned with a client’s key competencies. We look holistically at a client’s...
people, processes, and technology to evaluate the best activities and provide the best impact to the bottom line.

Parallon’s Project Management provides transparency into and across the organization’s projects to ensure that delivery is occurring as planned and that performance expectations are clearly defined and permeated. We engage in a variety of projects to help support and manage the strategic initiatives that are so critical to overall organizational success.

Our project plans and toolkits are customized to meet business customer needs and execution is tracked throughout the project lifecycle (including risks and issues). Parallon’s Project Management allows for implementation of proven, yet flexible processes, tools, and controls that allow for projects of all sizes and complexities to be managed successfully across the organization. Our clients benefit from economies of scale through our ability to utilize proven methodologies, tools, processes, and plans, thus saving valuable time and resources.

8. Financial

a. Financial performance including audited financial statements for the last three (3) completed fiscal years and year-to-date financial statements

As previously referenced, HCA Healthcare is the largest hospital operator in the country and has unmatched experience in planning, developing, funding, operating and managing hospitals. HCA Healthcare has operating revenues of $51.3 billion and $7.6 billion of cash flow from operating activities for the most recent calendar year (ending 12/31/19).

All SEC filings, which include balance sheet and income statement, can be found at http://www.sec.gov/edgar/ (Ticker Symbol: HCA) or http://investor.hcahealthcare.com/sec-filings.

b. Recent Appendix A from bond offering

The Prospectus Supplement from HCA’s most recent bond filing has been provided as a supplemental file. Additional information can be found within SEC filings noted above.

c. Most recent rating agency reports

Most recent rating agency reports from Moody’s, S&P, and Fitch have been provided as supplemental files.
give rise to any rights or obligations of HCA, New Hanover Regional Medical Center ("NHRMC") or any other party. It is the express intention of HCA that no binding contractual agreement will exist unless and until HCA (or its affiliates) and NHRMC execute and deliver the Definitive Agreements and then only to the extent expressly provided in the Definitive Agreements. Either party may for whatever reason (or no reason) terminate the negotiations of the Proposed Transaction at any time. Neither HCA, NHRMC nor any of their respective affiliates will have any liability to each other or any third party arising out of the submission of the foregoing proposal, or any actions taken or statements made by either HCA, NHRMC or any of their respective affiliates or representatives in connection with these negotiations or the cessation of negotiations, or any actions asserted or claimed to have been taken in reliance thereon, including any actual or alleged oral agreements or course of dealing between the parties relating to this Response to the Request for Proposal. No modifications to this proposal or any verbal discussions or conduct will be binding on or be of any effect whatsoever unless in writing and signed by HCA.