



Carolinan HealthCare System

System Overview

June 2017

CHS Overview



Who We Are Today

Size and Scope

65,000+
employees*

28+
urgent care locations*

47
hospitals across
three states*

16,000+
Nurses*

25+
cancer care locations*

7,400+
licensed beds*

350+
primary care practices*

\$5.1 million
In uncompensated care and
community benefit every day

\$9.77 billion
net operating revenue*

\$1.87 billion
in community benefit and
uncompensated care in 2016

35
emergency
departments,
including
freestanding*

* denotes enterprise-wide data or PE plus some regional data



Who We Are Today

Healthcare Consumers

2,800+
virtual care and e-visits

87
new primary care
patients per day

**More than
438,000**
total discharges*

15.9 million
written prescriptions

140,000
complex chronic
patients*

12.65 million
patient
encounters

200,000+
patients using online patient portal

18 million
transactions per day in EMR

2.3 million unique patients*

*includes Blue Ridge, New Hanover, Scotland, St. Luke's and Wilkes



Who We Are Today

World-Class Care

Open heart surgery program ranked in the **top 15% nationally**
by the Society of Thoracic Surgeons

Charlotte region's only **Level 1** trauma center

1 Neurosciences Institute serving a 22-facility Telestroke Network

1 of only 5 academic medical centers in NC

Outperformed all **5** national Centers for Medicare & Medicaid Services benchmarks for readmissions

88,000 annual inpatient and outpatient neurology visits

Levine Cancer Institute
12,500 new patient visits

3,000+ System-employed physicians and ACPs*

90,000 diabetic patients managed

5 pediatric specialties ranked by **U.S. News & World Report**



Who We Are Today

Community Benefit

\$3.7 million

donated by employees to local non-profits through CHS Gives campaign

788

people participated in National Diabetes Prevention Program

4,788 students

committed to the "Healthy Together" program focused on childhood obesity

3,960

community members certified in Mental Health First Aid

20.2%

total value of uncompensated care and other benefits as a percentage of operating expenses

16,000

teammates volunteered 40,000 hours in the community

\$1.87 billion

in community benefit and uncompensated care in 2016



Who We Are Today

500+

PATIENT INFECTIONS
Avoided

1,500+

CANCER PATIENTS
actively enrolled in
clinical trials

52,000+

FEWER ANTIBIOTIC DAYS
of THERAPY

20,000+

Telemedicine
Encounters

90,000

DIABETIC PATIENTS
managed

12,000+

POTENTIAL HARM EVENTS
AVERTED
AS PART OF CAROLINAS HOSPITAL
ENGAGEMENT NETWORK (HEN)

2,000+

READMISSIONS
have been avoided

10,000+

Emergency **Virtual**
Behavioral Health Consults

5 million+

VIRTUAL ENCOUNTERS



Every Dollar We Received in 2016

\$1



55 CENTS

Covers salary, wages, benefits and retirement

- Per AHA, national average for inpatient hospital servicers was 59.1%



5 CENTS

Covers depreciation and amortization



30 CENTS

Covers materials, supplies and equipment - band-aids medical equipment, aspirin, cancer-fighting therapies



2 CENT

Covers interest on debts



8 CENTS

Remaining for reinvestment



In a good year, the **8 CENTS** left over is reinvested in our system. We've turned these pennies on the dollar into Levine Children's Hospital and Levine Cancer Institute, invested in behavioral health programs, and more.



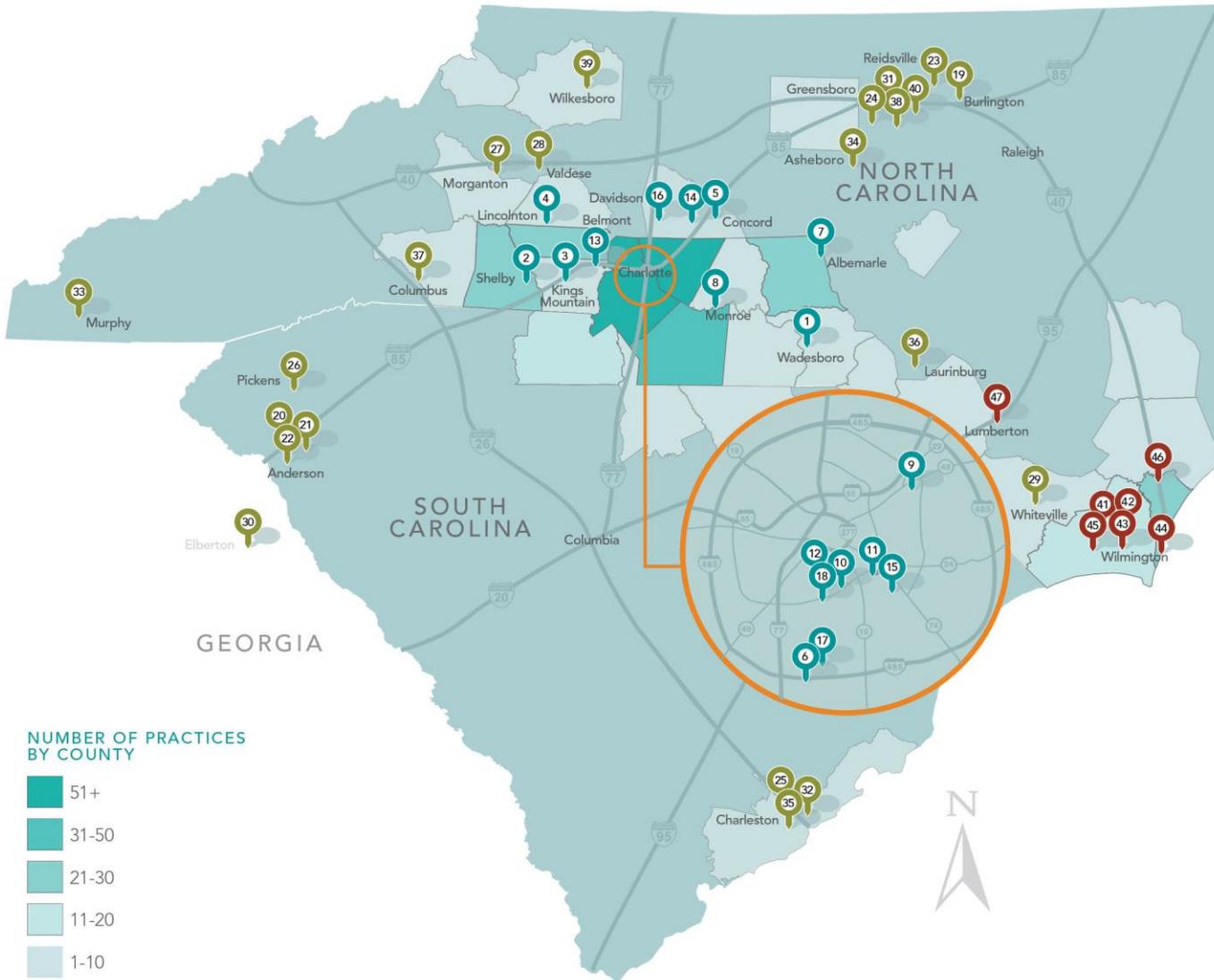
Who We Are: Narrative

Carolinas HealthCare System is one of the most comprehensive public, not-for-profit healthcare systems in the nation, and a recognized leader in healthcare delivery, quality and innovation. Our diverse network of care locations in North and South Carolina and Georgia includes hospitals, freestanding emergency departments, physician practices, behavioral health centers, academic medical centers, surgical and rehabilitation centers, home health providers, hospice and palliative care services and nursing homes. Carolinas HealthCare System works to improve health, elevate hope and advance healing for all through high quality patient care, education and research programs, and numerous collaborative partnerships and initiatives.

Carolinas HealthCare System has more than 900 care locations, including 47 hospitals, 7,400 licensed patient beds, and the region's only Level I trauma centers. We offer access to world-class specialty care close to home through Carolinas HealthCare System's Levine Cancer Institute, Levine Children's Hospital, Sanger Heart & Vascular Institute and Neurosciences Institute. We serve 1 million primary care patients and have 11.6 million patient encounters yearly. In 2016, we provided \$1.87 billion in community benefit and uncompensated care. Carolinas HealthCare System employs 65,000 people, including 3,100 doctors and advanced clinical practitioners, and 16,000 nurses.



CAROLINAS HEALTHCARE SYSTEM FACILITY LOCATIONS



PRIMARY ENTERPRISES

1. Carolinas HealthCare System Anson
2. Carolinas HealthCare System Cleveland
3. Carolinas HealthCare System Kings Mountain
4. Carolinas HealthCare System Lincoln
5. Carolinas HealthCare System NorthEast
6. Carolinas HealthCare System Pineville
7. Carolinas HealthCare System Stanly
8. Carolinas HealthCare System Union
9. Carolinas HealthCare System University
10. Carolinas Medical Center
11. Carolinas Medical Center-Mercy
12. Carolinas Rehabilitation
13. Carolinas Rehabilitation-Mt. Holly
14. Carolinas Rehabilitation-NorthEast
15. CHS Behavioral Health-Charlotte
16. CHS Behavioral Health-Davidson
17. CHS Rehabilitation (Pineville)
18. Levine Children's Hospital

REGIONAL ENTERPRISES

19. Alamance Regional Medical Center
20. AnMed Health Medical Center
21. AnMed Health Rehabilitation Hospital
22. AnMed Health Women's and Children's Hospital
23. Annie Penn Hospital
24. Behavioral Health Hospital (Cone Health)
25. Bon Secours/St. Francis Hospital
26. Cannon Memorial Hospital
27. CHS Blue Ridge-Morganton
28. CHS Blue Ridge-Valdese
29. Columbus Regional Healthcare System
30. Elbert Memorial Hospital
31. Moses H. Cone Memorial Hospital
32. Mount Pleasant Hospital
33. Murphy Medical Center
34. Randolph Hospital
35. Roper Hospital
36. Scotland Memorial Hospital
37. St. Luke's Hospital
38. Wesley Long Hospital
39. Wilkes Regional Medical Center
40. Women's Hospital (Cone Health)

AFFILIATED ENTERPRISES

41. Betty H. Cameron Women's and Children's Hospital
42. New Hanover Regional Medical Center
43. New Hanover Regional Medical Center Behavioral Health
44. New Hanover Regional Orthopedic Hospital
45. New Hanover Regional Rehabilitation Hospital
46. Pender Memorial Hospital
47. Southeastern Health

An aerial photograph of a vast forest during a sunset. The sun is low on the horizon, casting a warm, golden glow over the landscape. The sky is filled with soft, colorful clouds in shades of orange, yellow, and blue. The forest below is dense and green, with the sun's light filtering through the trees, creating a dappled effect on the ground. The overall mood is peaceful and hopeful.

MISSION

To *improve* **Health**
elevate **Hope**
and *advance* **Healing - for all**

VISION

To be the **first** and
best choice for care.

CHS History



“This building is not a private enterprise. It is a corporate act. It is a great, public compassion, not dissolved in sentimentality, but built into brick and stone for practical service. Here is a living monument to the heart of the people.”



CHS Governance History



CHS was created in 1943 under the “Hospital Authorities Act”

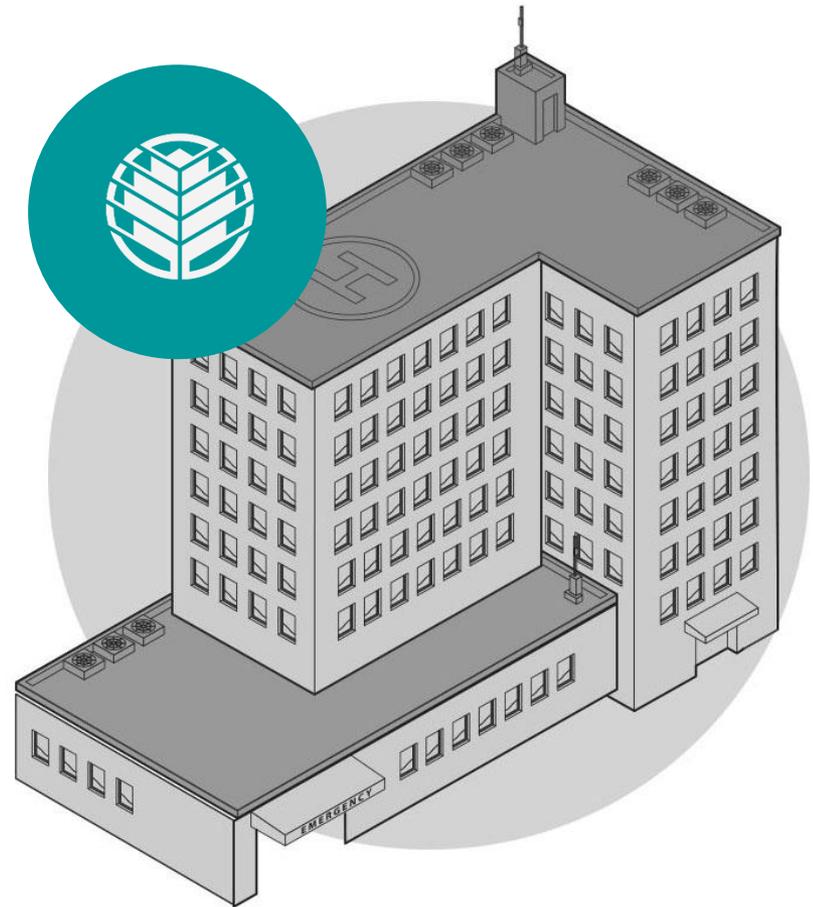


CHS is authorized to:

- Construct and operate healthcare and hospital facilities
- Borrow money through issuance of bonds
- Secure bonds by a pledge of revenues
- Exercise the power of Eminent Domain



CHS board members are nominated by the board and appointed by the chairperson of the board of commissioners of Mecklenburg County



Tax Status

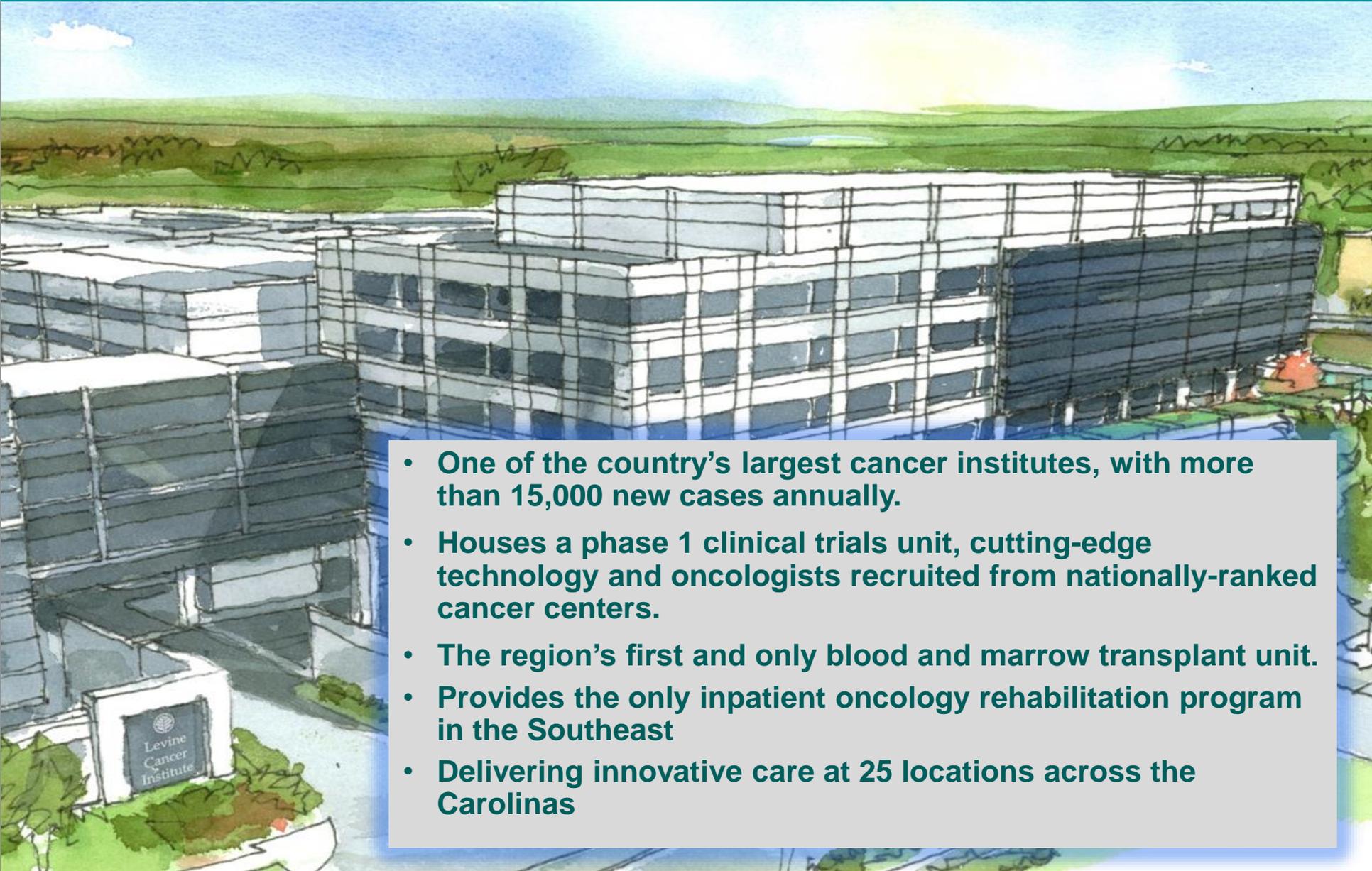
- CMHA is a **public multi-hospital healthcare system** that operates as the Charlotte region's safety net healthcare provider, meaning that we provide care for all – no matter whether they have insurance or can pay for their care.
- CMHA is **exempt from federal and state income taxation** because it is a political subdivision* of the State of North Carolina.
- Because CMHA is a governmental entity, it **does not rely on 501(c)(3)** for its tax exempt status. For that reason, some of the rules and regulations that apply to 501(c)(3) hospitals do not apply to CMHA.

** A political subdivision is a separate legal entity of a State which usually has specific governmental functions. The term ordinarily includes a county, city, town, village, or school district, and, in many States, a sanitation, utility, reclamation, drainage, flood control, or similar district.
(Source, Social Security Administration)*

Our Care



World-Class Care: Oncology



- One of the country's largest cancer institutes, with more than 15,000 new cases annually.
- Houses a phase 1 clinical trials unit, cutting-edge technology and oncologists recruited from nationally-ranked cancer centers.
- The region's first and only blood and marrow transplant unit.
- Provides the only inpatient oncology rehabilitation program in the Southeast
- Delivering innovative care at 25 locations across the Carolinas

World-Class Care: Cardiology

- Door-to-balloon time 18 minutes faster than national average.
- Adult and pediatric heart transplantation programs with outcomes among the best in the nation.
- The world's first-in-human branched stent graft implantation
- Advanced heart failure technologies, including the total artificial heart.
- More than 175 providers at 20 locations across the Carolinas

“Sanger Heart & Vascular Institute is the region's most comprehensive and experienced cardiovascular institute, including the region's only pediatric heart transplant program and quality outcomes that surpass national averages.”

World-Class Care: Levine Children's Hospital



USNWR rankings for 2016-2017 Best Hospitals include:

- Cardiology & Heart Surgery
- Nephrology
- Neurology and Neurosurgery
- Orthopedics

Largest and most comprehensive pediatric hospital between Atlanta and Washington, DC

Region's largest neonatal intensive care unit



Neurosciences Institute

Drives some of the **most advanced and comprehensive** neurological and neurosurgical services in the region

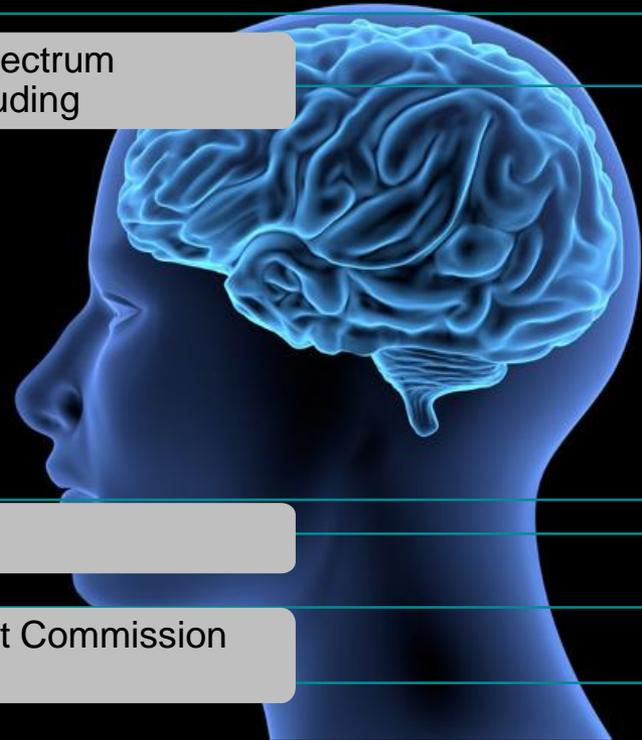
Offers **advanced surgical treatment** for the entire spectrum of brain, spine, and peripheral nerve disorders, including

- Brain tumors
- Spine injuries
- Stroke
- Epilepsy
- Birth defects
- Concussions
- Neck and lower back pain and
- Pituitary tumors

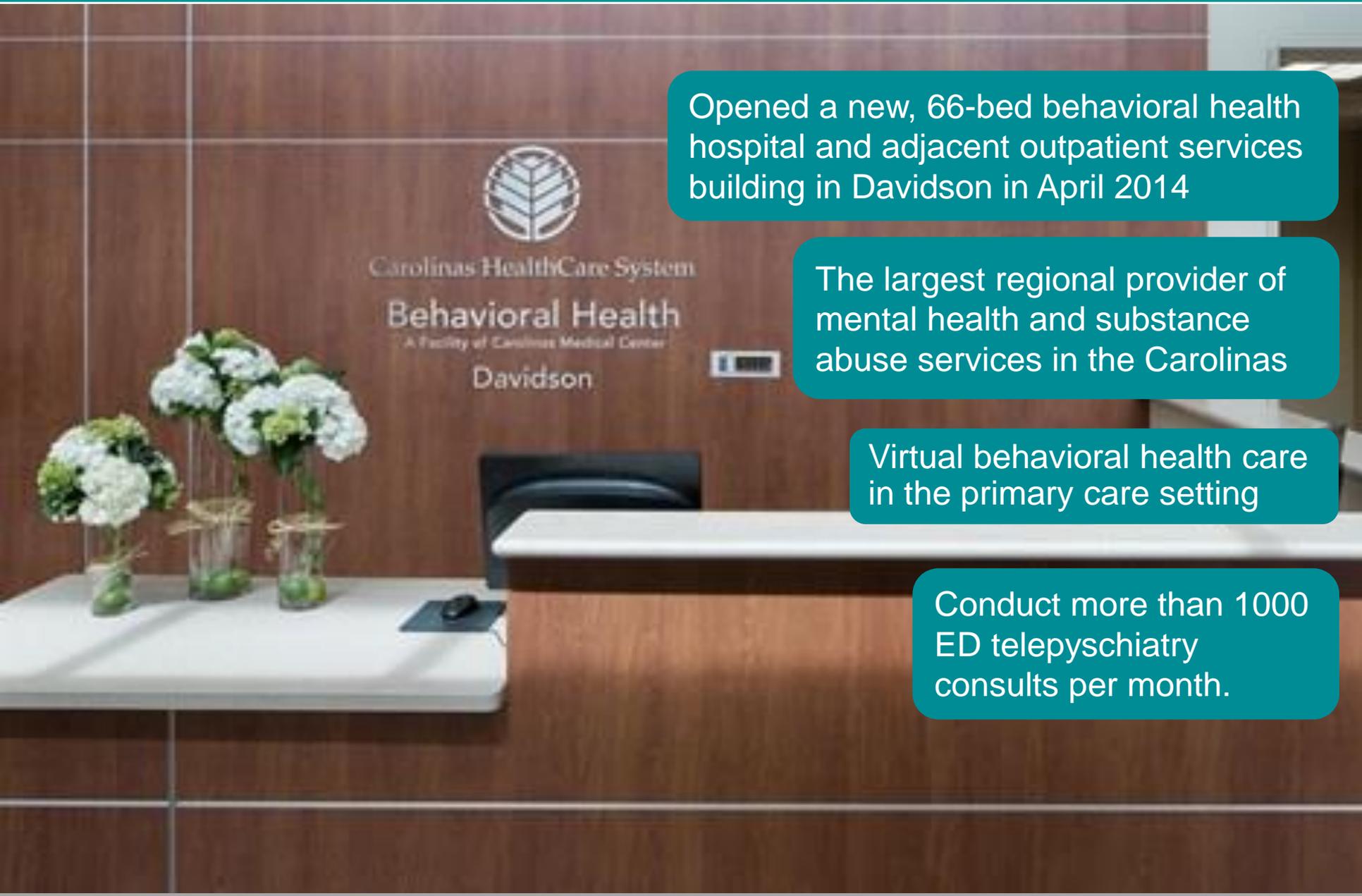
Offers access to **hundreds of clinical trials**

First and only program in nation to receive The Joint Commission Disease-Specific Care Certification in

- Parkinson's disease
- ALS and
- Multiple Sclerosis



World-Class Care: Behavioral Health




Carolinas HealthCare System
Behavioral Health
A Facility of Carolinas Medical Center
Davidson

Opened a new, 66-bed behavioral health hospital and adjacent outpatient services building in Davidson in April 2014

The largest regional provider of mental health and substance abuse services in the Carolinas

Virtual behavioral health care in the primary care setting

Conduct more than 1000 ED telepsychiatry consults per month.

Primary Care And On-Demand Services



Primary
Care



Minute Clinics



Primary Care Redesign



Virtual Care



Urgent Care



Emergency Care



On-
Demand
Care

...Delivering the **primary care** and **on-demand** services consumers want.

Care When and Where You Need It

940 Care Locations

- Outpatient surgery centers
- Physician practices
- Urgent care centers and emergency departments
- Imaging centers
- Nursing homes
- Laboratories
- Pharmacies

The **Region's Only** Level 1 trauma center
(at Carolinas Medical Center)

66-Bed Behavioral Health Facility and
Unique Behavioral Health Emergency Department

Care On Demand

- 24/7 Virtual Visit, offering **live online urgent care** from smart phone, tablet or computer
- Evisit, offering **diagnoses and treatment plans online** through the MyCarolinas patient portal

Suite Of Virtual Services

More Than 5 Million Virtual Encounters:

- More than **2,200** Virtual Visits
- Nearly **17K** Telemedicine Visits
- **36K** telepsych ED consults
- More than **250K** Nurse Triage
- Growing number of virtual critical care locations

The System's Virtual Critical Care Center:

- Reduces complications, mortality rates, length of stay and costs
- Ensures immediate response to urgent and emergent situations
- Facilitates quality data collection and benchmarking

Leading Technology for Better Care

Telemedicine Visits Between Providers in:

- Cardiology
- Neurology
- Behavioral health
- Maternal fetal medicine
- Neonatal and pediatric intensivists
- Hospital care

One of the Nation's **Largest Virtual ICUs** Where Nearly 300 Beds are Monitored 24/7

First to Develop an App to Provide All Health Data in One Place with Clinical Context

- MyCarolinas Tracker app connects blood pressure cuffs and glucometers to track.
- Allows providers to intervene when needed

First to Develop a **Palm Vein Scanner** to Uniquely Identify Individuals

- Even works on those who may be unconscious
- Has a duplicate medical error rate of 0.1 percent (vs. 10 percent industry average)

Value-Based Care

We deliver high quality, high value care through collaboration as an Integrated System of Care.

VALUE BASED CARE



One of four healthcare systems in the nation awarded the Hospital Engagement Network (HEN) 2.0 contract from Centers for Medicare & Medicaid Services.



Carolinas Operational Benchmarking has saved \$368 million over 18 years.



11,600+ patient harm events prevented equal to \$70 million savings



Prevented more than 2,500 readmissions in fewer than three years.

Population Health Analytics

We are using
“big data”
in a big way

A centralized advanced analytics capability and integrated data warehouse with access to more than a petabyte of data

Predictive and prescriptive analytics allow real time instruction at the point of care, with nearly 80% accuracy for predicting readmissions

A centralized advanced analytics capability with more than 100 team members

Electronic medical record and geo-spatial data combined with medical guidelines and patient profiles provide a capability for population segmentation and estimating total cost of care