Strategic Initiative with

Munroe Regional Medical Center

and

Health Management Associates

and

Shands HealthCare
Partnership Benefits for Today and Tomorrow

Partnering with Health Management and Shands Healthcare

• Statewide Florida Organizations with Proven experience in establishing *regional health systems* with tertiary medical centers, rural facilities, and physician networks in Florida

• *Clinical Affiliation* track record with major academic systems including UF & Shands, University of Mississippi, and Integris Health System

• Primary and Secondary Care Referral Network from Health Management and Shands Florida facilities
Munroe Regional Medical Center Proposal

- **Acquisition through a 40 Year Lease**
  - Acquire assets and operations for $170-230 million
  - And commit to a minimum $75 million in strategic and capital spending over the next 5 years
  - Commit to fully funding $150 million Phase I Program
- **UF & Shands as a clinical affiliated partner**
- **A social compact with the community that eliminates debt, retains local oversight of quality, medical staff and strategic development and with Munroe becoming major contributor to local priorities in addition to excellent health care**
  - Maintain existing charity care policy
  - All staff employees retained with tenure
  - New entity pays all local and state taxes
    - Local taxes estimated to be @ $1 million annually
  - All debt obligations eliminated and the MCHD Foundation retains tens of millions of dollars for investment into community-based priorities
  - Munroe Regional Medical Center grows through integration with HMA hospitals
Mission and Vision

Gary Newsome
President and Chief Executive Officer

- About Health Management
- Mission, Vision, and Values
- Quality

Enabling America’s Best Local Health Care
NAPLES, Fla.--(BUSINESS WIRE)--Sep. 19, 2012-- The Joint Commission announced that 41 Health Management Associates, Inc. hospitals (NYSE: HMA) were recognized nationally as Top Performers on Key Quality Measures in its 2012 report on quality and safety.

While 18 percent of the hospitals accredited by The Joint Commission were recognized, **65 percent of HMA hospitals were recognized**, making HMA one of the leading systems in the nation in these important quality measures.
Health Management Recognized with Top Quality and Social Responsibility by Fortune Magazine

NAPLES, Fla.--(BUSINESS WIRE)—March 2, 2012-- Fortune Magazine announced its annual World’s Most Admired Companies Report, with Health Management Associates, Inc. being named as one of the Most Admired Health Care Companies.

HMA ranked #1 in health care in Quality of Product / Service
HMA ranked #1 in health care in Social Responsibility
Guiding Principles

MISSION: ENABLING AMERICA'S BEST LOCAL HEALTH CARE.

We are servant leaders.  We do the right thing.  We don’t settle.
About Health Management

- 70 facilities in 15 states including 22 in Florida
- +45,000 Associates
- +12,000 Physicians
- A focus on mid-sized communities
- Partner with tertiary and academic systems to create regional networks

States with Health Management Presence

Health Management Locations
Tim Goldfarb  
Chief Executive Officer

• System Overview

• Shands / HMA Partnership

• Clinical Affiliation
UF & Shands Overview

- One of the Southeast’s premier health systems Includes:
  - Nationally Recognized Teaching Hospital
  - Four specialty hospitals
  - A network of physician offices, outpatient rehabilitation centers, and Home Health

- Shands, at the University of Florida, includes:
  - Shands Children’s Hospital
  - Shands Cancer Hospital
  - Shands Rehabilitation Hospital
  - Shands Vista
  - State-designated Level I Trauma Center and emergency air and ground transportation programs that serve adult, pediatric, and neonatal patients
  - Affiliation with Orlando Health, an 8-hospital system in Central Florida

<table>
<thead>
<tr>
<th>Shands HealthCare</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>47,000</td>
</tr>
<tr>
<td>ER Visits</td>
<td>80,000</td>
</tr>
<tr>
<td>Surgeries</td>
<td>33,000</td>
</tr>
<tr>
<td>Beds</td>
<td>950</td>
</tr>
<tr>
<td>Employees</td>
<td>7,000</td>
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</table>
Case Study: University of Florida / Shands Healthcare Partnership

- Health Management acquired 60% ownership in 2010, and promised $6M in capital over five years:
  - Shands Lake Shore, Live Oak, and Starke
  - Both organizations share governance equally
  - Health Management manages the partnership
  - State wide Clinical affiliation, including Chest Pain and Stroke programs, cancer, and other clinical opportunities

- Health Management Invested $6M of Capital in Year 1:
  - Public Hospital Authority contributed additional $2M for renovations
  - Renovated ICU
  - Renovated first floor
  - da Vinci robotic surgery
  - Open MRI

- New Services
  - Recruited 16 new physicians
  - Live Oak - Cardiology
  - Starke - General Surgery, Gyn
  - Lake Shore - Interventional Radiology, Neurology, Orthopedics
Shands / Health Management Clinical Affiliation

• Additional hospital acquisitions and partnerships - Partnership with Orlando Health
• Accountable Care Organization planning
• Physician recruiting and placement
• Shared Clinical Protocols
• Statewide networks - Chest Pain, Stroke, Trauma, Cancer
Munroe Regional Medical Center Business Plan

Alan Levine
*Group President*

- Physician Experience
- Quality Outcomes
- Large Hospital Experience
- Physician Network Alignment
- Market Share Opportunity
- HMA Central Florida Health Network
Health Management Associates
*Local* Hospitals, *National* Recognition

- Thomson Reuters 50 Top Cardiovascular Hospital
- Primary Stroke Center Gold Seal of Approval from TJC
- US News Best Regional Hospital - Neurology & Neurosurgery
- Wound Care Center of Distinction award for Quality & Patient Satisfaction
- Thomson Reuters Top 100 Hospitals (3 years in a row)
- AHA/ASA Heart Failure Gold Quality Achievement Award
# Quality Metrics

<table>
<thead>
<tr>
<th>Shands</th>
<th>Risk-adj Mortality Index</th>
<th>Risk-adj Complications Index</th>
<th>Risk-adj Patient Safety Index</th>
<th>30-day Mortality Rate</th>
<th>30-day Readmission Rate</th>
<th>Core Measures</th>
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<tbody>
<tr>
<td>Munroe RMC</td>
<td>0.96</td>
<td>0.99</td>
<td>0.81</td>
<td>12.5</td>
<td>20.6</td>
<td>92.9</td>
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<tr>
<td>Haines City</td>
<td>0.89</td>
<td>0.96</td>
<td>0.94</td>
<td>12.1</td>
<td>21.6</td>
<td>96.8</td>
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<tr>
<td>Tennova</td>
<td>1.03</td>
<td>0.89</td>
<td>0.94</td>
<td>12.6</td>
<td>19.4</td>
<td>96.5</td>
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<tr>
<td>Midwest City</td>
<td>1.02</td>
<td>0.99</td>
<td>0.69</td>
<td>11.5</td>
<td>22.3</td>
<td>97.0</td>
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<tr>
<td>Punta Gorda</td>
<td>0.96</td>
<td>0.98</td>
<td>0.81</td>
<td>12.1</td>
<td>21.7</td>
<td>98.1</td>
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<tr>
<td>Wuesthoff Rockledge</td>
<td>0.99</td>
<td>0.97</td>
<td>0.87</td>
<td>12.1</td>
<td>21.4</td>
<td>97.9</td>
</tr>
</tbody>
</table>

**Desired Direction**

- Low
- Low
- Low
- Low
- Low
- High

**Source:**
Thomson Reuters (Truven)
100 Top Hospitals Report, 2012
## HMA Integrated Markets

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Beds</th>
<th>Admits</th>
<th>Surgeries</th>
<th>ER Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackson, MS: 5 hospitals</td>
<td>914</td>
<td>21,900</td>
<td>26,000</td>
<td>113,100</td>
</tr>
<tr>
<td>Knoxville, TN: 6 hospitals</td>
<td>851</td>
<td>30,500</td>
<td>55,600</td>
<td>191,000</td>
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<tr>
<td>Fort Smith, AR: 2 hospitals</td>
<td>595</td>
<td>16,700</td>
<td>21,200</td>
<td>86,700</td>
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<tr>
<td>Rockledge, FL: 2 hospitals</td>
<td>413</td>
<td>18,100</td>
<td>14,300</td>
<td>56,700</td>
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<tr>
<td>Port Charlotte: 2 hospitals</td>
<td>375</td>
<td>15,000</td>
<td>13,780</td>
<td>42,900</td>
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<td>Lancaster, PA: 2 hospitals</td>
<td>362</td>
<td>8,600</td>
<td>13,100</td>
<td>37,800</td>
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<td>Yakima, WA: 2 hospitals</td>
<td>277</td>
<td>8,000</td>
<td>6,600</td>
<td>55,000</td>
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<tr>
<td>Naples, FL: 2 hospitals</td>
<td>201</td>
<td>9,300</td>
<td>14,200</td>
<td>49,300</td>
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</table>
### Florida Network of Hospitals

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Beds</th>
<th>Admits</th>
<th>Surgeries</th>
<th>ER Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brooksville Regional</td>
<td>120</td>
<td>6,000</td>
<td>11,750</td>
<td>24,000</td>
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<tr>
<td>Pasco Regional Med Ctr</td>
<td>120</td>
<td>4,350</td>
<td>4,300</td>
<td>20,750</td>
</tr>
<tr>
<td>Seven Rivers RMC</td>
<td>128</td>
<td>6,900</td>
<td>5,000</td>
<td>21,900</td>
</tr>
<tr>
<td>Springhill Regional</td>
<td>124</td>
<td>7,000</td>
<td>4,750</td>
<td>31,300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>HMA (2011)</th>
<th>22 (FL)</th>
<th>65 (HMA)</th>
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</thead>
<tbody>
<tr>
<td>Total Beds</td>
<td>2,998</td>
<td>9,626</td>
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</tr>
<tr>
<td>Admissions</td>
<td>132,000</td>
<td>339,000</td>
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</tr>
<tr>
<td>Surgeries</td>
<td>116,000</td>
<td>342,000</td>
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<tr>
<td>ER Visits</td>
<td>575,000</td>
<td>1,562,000</td>
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<tr>
<td>Net Revenue</td>
<td>$2.08B</td>
<td>$5.80B</td>
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</tbody>
</table>

Florida Not-for-Profit Partners

- Brooksville Regional
- Pasco Regional Med Ctr
- Seven Rivers RMC
- Springhill Regional
- Munroe RMC

Strategic and Capital Investment Plan

$75 million for 5 years and Phase I Project

- Capital projects related in CIM
  - ER
  - Private rooms
  - Surgical suites
  - Others
- Routine capital needs
- IT systems
- Expand network of services
- Acquisitions and Development
Munroe Regional Medical Center - Central FL Network

• We expect market synergies to come from shared overhead services and clinical collaboration in the form of best practices, protocols, quality scorecards, outcome measurements

• Solidify a network of HMA hospitals and outpatient health care access points with Munroe as tertiary hub

• The relationship with Shands will provide academic, research institution capabilities to the hospital

• The Shands relationship will position Munroe Regional as a leading major hospital with an academic affiliation capable of providing, in a coordinated way, virtually any service through its affiliation, while also having the contracting strength to help with new payment systems
Munroe Regional Medical Center - Focus Areas

• Focus areas
  » Service line development in partnership with doctors
  » Clinical partnership with Shands - Trauma, Cancer, Quaternary Partner
  » Market growth
  » Efficiency
  » Measurably High Quality health care

• Operations
  » Work with Medical Staff and board on strategic growth
  » Continue focus on measuring quality and outcomes
  » Create plans and goals for patient, physician, and employee satisfaction
  » Collaborate on clinical services within the hospital network
  » Enhance services lines where appropriate and necessary
  » Integrate outpatient access points such as home health, hospice, imaging centers, laboratory, workforce development
Discussion and Feedback
Partnership References

Sherrie Sitarik - CEO
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- Catholic Health Partners - Cincinnati, OH
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Tim Goldfarb - CEO
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Bruce Lawrence - CEO
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Vice Chancellor
- University of Mississippi Medical Center
- (601-984-1010)
Why Health Management?

http://whyhealthmanagement.com