UCHealth overview

10 HOSPITALS
(2 NEW SITES UNDER CONSTRUCTION)

$4.2B IN REVENUE
1,788 HOSPITAL BEDS

>150 UCHEALTH AND AFFILIATED CLINICS
5,000 EMPLOYED AND AFFILIATED PROVIDERS

>22,000 EMPLOYEES
1.6M PATIENTS SERVED

132,000 ADMISSIONS AND OBSERVATION VISITS
4.0M OUTPATIENT AND EMERGENCY ROOM VISITS
Mission
We improve lives.
In big ways through learning, healing and discovery.
In small, personal ways through human connection.
But in all ways, we improve lives.

Vision
From health care to health.

Values
Patients First
Integrity
Excellence

Our aspiration

• The preferred choice for patients, clinicians, employees, employers and health plans in the region

• Rated among the top tier health systems nationally

• The destination for care in the multi-state region

• Recognized as a leader in population health

Opening remarks
Our strategic objectives
Increased external pressures on the health care industry

1. Growing frustrations from both within and outside of the industry regarding the cost of health care

2. Feeling of inadequate effort and pace towards change

“Today’s healthcare system is simply not delivering outcomes commensurate with its cost — President Trump knows it, and the American people know it, too.”

-Alex Azar, HHS Secretary (March 2018)

Legislators and employers focusing efforts on health care

Shifts in policy and strategy among payers

Disruption becoming the new norm
Legislators and employers focusing efforts on health care

- Transparency of health care pricing
- Controlling Medicare and Medicaid costs
- Pressures on high-cost sites of service
- Reaffirmation of value-based care programs
- National epidemic of opioid and behavioral health issues
- Chambers of Commerce looking to influence policy to reduce employer costs
Disruption becoming the new norm

Announced partnership aimed at curbing rising health care costs.

Verily Life Sciences, owned by Google’s parent company, received an $800 million investment for innovative device development and prescriptive intelligence tools.

Walmart is exploring an acquisition of Humana.

CVS pursuing acquisition of Aetna to create a more vertically integrated delivery system.
It has been a remarkable year

- Opened 11 primary care locations
- 124,000 attributed lives in the UCHealth Integrated Network
- Longs Peak Hospital opened
- Yampa Valley Medical Center joined UCHealth
- Acquired UCHealth Partners JV
- Entered into management services agreement with Cheyenne Regional Medical Center
- Parkview Medical Center joined UCHealth Integrated Network
- Pikes Peak Regional Hospital joined UCHealth
“You saved my life so many times…and the food is so good.”

—UCHealth Memorial patient
Virtual reality

Impact to our patients

• Escape
• Freedom to live extraordinary lives
• Reduced stress and anxiety

“One of the best things was just to feel like I wasn’t in Colorado, and I wasn’t in a hospital. I was somewhere else.”

Hannah Moraski, a patient at UCH Health Memorial Hospital Central, after experiencing virtual reality in the outpatient infusion center.
Online scheduling and mobile app

Impact to our patients
- Convenient, OpenTable experience for patient care
- Simplicity and real time access

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Time</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday June 1, 2018</td>
<td>6:40 AM</td>
<td>8:10 AM</td>
<td></td>
</tr>
<tr>
<td>Monday June 4, 2018</td>
<td>8:30 AM</td>
<td>1:00 PM</td>
<td>1:30 PM</td>
</tr>
<tr>
<td></td>
<td>3:30 PM</td>
<td>4:00 PM</td>
<td></td>
</tr>
<tr>
<td>Wednesday June 6, 2018</td>
<td>6:40 AM</td>
<td>7:10 AM</td>
<td>7:40 AM</td>
</tr>
<tr>
<td></td>
<td>1:30 PM</td>
<td>2:00 PM</td>
<td>2:30 PM</td>
</tr>
<tr>
<td></td>
<td>3:00 PM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Defining the UCHealth experience

78% OF UCHEALTH INPATIENTS rated their experience as a nine or ten

OVERALL RATING OF UCHEALTH

75TH PERCENTILE
What’s next

• Mobile wayfinding technology
• Conversational artificial intelligence (i.e., chatbot)

Meet Livi
UCHealth’s virtual assistant
Spotlighting sepsis

- Advanced algorithm continually monitors Epic for abnormalities
- Early warning system notifies nursing team
- Standardized guidelines and templates enable a sepsis alert
- Orders and interventions can begin while physician is en route

Example: UCH time to antibiotics

PRE-INTERVENTION

~5 HOURS

POST-INTERVENTION

~70 MINUTES

Impact to our patients

139 LIVES SAVED

14% REDUCTION IN MORTALITY RATE

Mortality rate refers to mortality index
Lives saved and reduction in mortality based on July 2017 – June 2018
Improving the lives of our patients

POUDRE VALLEY HOSPITAL
#7 VIZIENT RANKING 98TH VIZIENT PERCENTILE

MEDICAL CENTER OF THE ROCKIES
#21 VIZIENT RANKING 93RD VIZIENT PERCENTILE

UNIVERSITY OF COLORADO HOSPITAL
#12 VIZIENT RANKING 91ST VIZIENT PERCENTILE

MEMORIAL HOSPITAL
#18 VIZIENT RANKING 94TH VIZIENT PERCENTILE
People and culture

Our key areas of focus over the last year:

• New and innovative Employee Voice survey
• Recruitment and retention of highly talented team members
• Career and leadership development

>22,000 Employees • >3,000 new employees (in FY 2018)

Impact to our patients

• Better experience and outcomes
• Engaged and higher functioning care teams

81% Agree There is a clear mission that gives meaning and direction to our work (compared to 73% average in healthcare)
83% Agree I am enthusiastic about working for UCHealth (up from 77% in the prior year)
Our financial performance allows us to invest in our mission

$4.2B
NET PATIENT REVENUE

$713M
EBITDA

Benefitting our community and supporting our mission

$647 million
in total community benefit
(up from $584 million in 2016)

$259 million
in total uncompensated care
(up from $233 million in 2016)

Impact to our patients

• Investments in medical advancements
• Community-based programs to care for the underserved
• New services in our local communities

And this allows us to invest in community programs, such as:

• HealthLink
• Healthy Hearts
• Aspen Club

Revenue and EBITDA figures based on FY 2018 year-end unaudited financials
Total community benefit is cost-based, not charge-based
Our commitment to Medicaid

1 in 4 Coloradans are covered by Medicaid

Nearly 33% of Colorado’s state budget ($10B) comes from Medicaid.

UCHealth has seen a tremendous increase in Medicaid encounters:

- FY 2015: 508,356
- FY 2016: 569,857
- FY 2017: 652,529
- FY 2018: 692,347

Growth in inpatient Medicaid volume since 2013:

- UCHealth: 36% increase
- All other Colorado hospitals: 54% increase

UCHealth is the largest provider of Medicaid services in Colorado:

- Inpatient Medicaid market share:
  - UCHealth: 23%
  - Centura: 19%
  - HealthONE: 17%
  - SCL: 13%
  - Denver Health: 12%
  - Banner: 5%
  - All other: 11%

Source: Colorado Hospital Association inpatient market share database CY 2017
State of Colorado only; Medicaid only
Excludes: Ages 00-17, Children’s Hospital, Neonatology, Normal Newborns and Accounts with $0 Charges
Our commitment to our research and academic mission

UCHealth funds flow support for CU School of Medicine

Includes program support, academic support, education, research, personalized medicine, expense allocation and meaningful use

UCHealth net patient revenue

Includes program support, academic support, education, research, personalized medicine, expense allocation and meaningful use
What’s next

1 **Quality**
   Improve surgical site infection rate and real-time reporting of data

2 **People**
   Identifying, growing, and retaining the best talent

3 **Finance**
   Online pricing estimator to support transparency efforts
Caring for more people

20.6% MARKET SHARE
INCREASE OF 0.8% FROM PRIOR YEAR

132K INPATIENT ADMISSIONS AND OBSERVATION VISITS
INCREASE OF 6% FROM PRIOR YEAR

549 NEW PATIENTS CARED FOR DAILY
INCREASE OF 151 PATIENTS FROM PRIOR YEAR

4.0M OUTPATIENT, EMERGENCY AND URGENT CARE VISITS
INCREASE OF 15% FROM PRIOR YEAR

1.6M LIVES SERVED
INCREASE OF 15% FROM PRIOR YEAR

We continue to build our population health capabilities through the UCHealth Integrated Network.

Impact to our patients

- More than 80 new locations closer to home since UCHealth was formed
- Many ways to access our services beyond hospitals
- Proactive care management outreach

Volume and lives figures based on year-end actuals through June 2018
Q1 2018 market share compared to Q1 2017 (exclusions: ages 0 – 17, Children’s Hospital, accounts with $0 in charges)
Continuing to be selective in our efforts to grow

The initiatives we choose not to pursue are often just as important as those we do…

• Hospital acquisition in Colorado
• Partnerships and acquisitions outside our expertise (e.g., home health and skilled nursing)
• New site development in nonessential markets

…and our approach to accessibility is more than just facility-based growth
On demand virtual care becoming a reality

**1,471**
**TOTAL VISITS**

**83**
**VISITS PER MONTH**
*(SINCE FEBRUARY 2017)*

**29%**
**OF VISITS OCCURRED BETWEEN 6PM-8AM**

**24%**
**OF VISITS OCCURRED ON THE WEEKEND**

Impact to our patients

- Simple and easy-to-use
- Care from the comfort of home
- Timely services and care delivery
- Lower cost option

“Did a virtual Urgent Care visit with UCHealth. It was sweet... #uchealth.”

-UCHealth virtual urgent care patient (online review)
What’s next

- Expansion of virtual health services
- Continued primary care development across all markets
- Expansion of online scheduling to specialty care
- Memorial Hospital North expansion (early 2019)
- Highlands Ranch Hospital and MOB (early 2019)
- Greeley Hospital and MOB (early 2019)
- Inverness Sports Medicine and ASC (mid 2019)
- Cherry Creek Medical Center (early 2020)
- Steamboat Springs Orthopedics and Spine Center (2020)
Innovating and designing the future of medicine

How we are approaching innovation across the system today

1. Improving our operations through new tools and technologies
   - Device integration
   - Virtual health
   - Prescriptive intelligence

2. Bringing new and emerging capabilities to our patients and to the world
   - Innovation investment fund
   - CARE Innovation Center
   - Research in partnership with Colorado School of Medicine
   - Personalized medicine
Using technology to enable clinical mobility and patient safety

**Impact to our patients**

- Early detection of potential adverse events
- Keeps patients close to home in their local hospital
- Feeling of safety from being monitored continuously

**Virtual ICU**
- 14 beds monitored

**Virtual safety view**
- 25 average daily census

**Wearables**
- 268 beds covered

**Virtual telemetry**
- 350 average daily census

**Infusion Pumps**
- 4,800+ pumps integrated

**Virtual ICU**
- 14 beds monitored
Bringing new science and treatment to our patients through research

- Research is core to our mission and identity as a health system
- In partnership with CU School of Medicine, we continue to develop new technologies and medical treatments for our patients
- UCHealth provides many services to support our research enterprise including Epic, personnel, compliance and billing

Our geographic reach allows us to participate in trials we would not otherwise have access to

- One of thirty health systems to receive a Lead Academic Participating Site (LAPS) grant from the National Cancer Institute
- UCHealth sponsored trials in cardiology, cancer, emergency medicine and surgery
- Nearly 22,000 UCHealth patients currently enrolled in active clinical trials
Colorado Center for Personalized Medicine

Biobank

62K PATIENTS CONSENTED
25K SAMPLES COLLECTED

Impact to our patients

• Early identification of genetic-related conditions for patients and their loved ones
• Personalized and precise therapies

Examples of how we will use the data

• Notification to patients at risk for breast cancer
• Inform decisions on personalized and highest efficacy drug therapies

Health Data Compass

• Google cloud-based research data warehouse
• Used for greater than 50 grant submissions with $2M+ awarded
What’s next

savvysherpa

LeanTaaS

RXRevu

Colorado-based

avaamo

amplifire

Colorado-based

AgileMD

Colorado-based

SPREO

HEALTH SCHOLARS

Colorado-based

ambulnz

Innovation
How this impacts our patients
None of this would be possible without...

...our physicians and provider partners

...our employees

...and our leadership team