



Emerus, The Nation's Innovator of Micro-Hospitals

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Executive Vice President of Strategy and Business Development

- 20+ yrs. Exp. Investment & Merchant Banking
- Healthcare & emerging markets specialization
- Frequent speaker & panelist
- Numerous public & private boards
- Salesmanship Club of Dallas
- Children's Medical Center of Dallas
- The Rise School of Dallas
- Southern Methodist University Alumni

TOPICS COVERED

- Introduction
- Who is Emerus
- Why Micro-hospitals
- Why Partner

WHO IS EMERUS

HEALTH CARING IS A CALLING.



AN ACTION. A FOCUS EVERY DAY
TO POSITIVELY IMPACT THE PEOPLE
WE TOUCH. IT'S ABOUT HELPING OTHERS
GET BACK TO LIVING THEIR LIVES FULLY.
IT'S CARING ABOUT PEOPLE.



Excellence



Community



Innovation



Integrity



Empathy

EXPERIENCE

Emerus is the nation's first, largest and most experienced operator of micro-hospitals

- **10 joint-venture partnerships**
- **21 micro-hospitals** in operation
- **25+ new facilities** currently under development
- Over **130 years** of combined, executive-level healthcare/business experience
- **4 consecutive years** winning **Press Ganey Guardian of Excellence**
- **5 board-certified, ER-trained physicians on executive team**
- **31 national** marketing awards
- **ENTIRE BUSINESS BUILT ON PARTNERSHIPS** – we know how to integrate in market

MAP OF LOCATIONS



WHY MICRO-HOSPITALS

PROTOTYPE FACILITY

- Independently licensed hospitals
- 30,000-60,000 sf. – Including hospital and MOB space
- 8 ER beds, 8 - 10 in-patient beds
- 24/7 and staffed with board-certified ER physicians
- On-site x-ray, CT, ultrasound and lab
- Transfer Agreements with partner hospitals
- Facility becomes a hospital and healthplex with ancillary services to include imaging, physical therapy, primary care, rotating specialists, surgery centers...etc



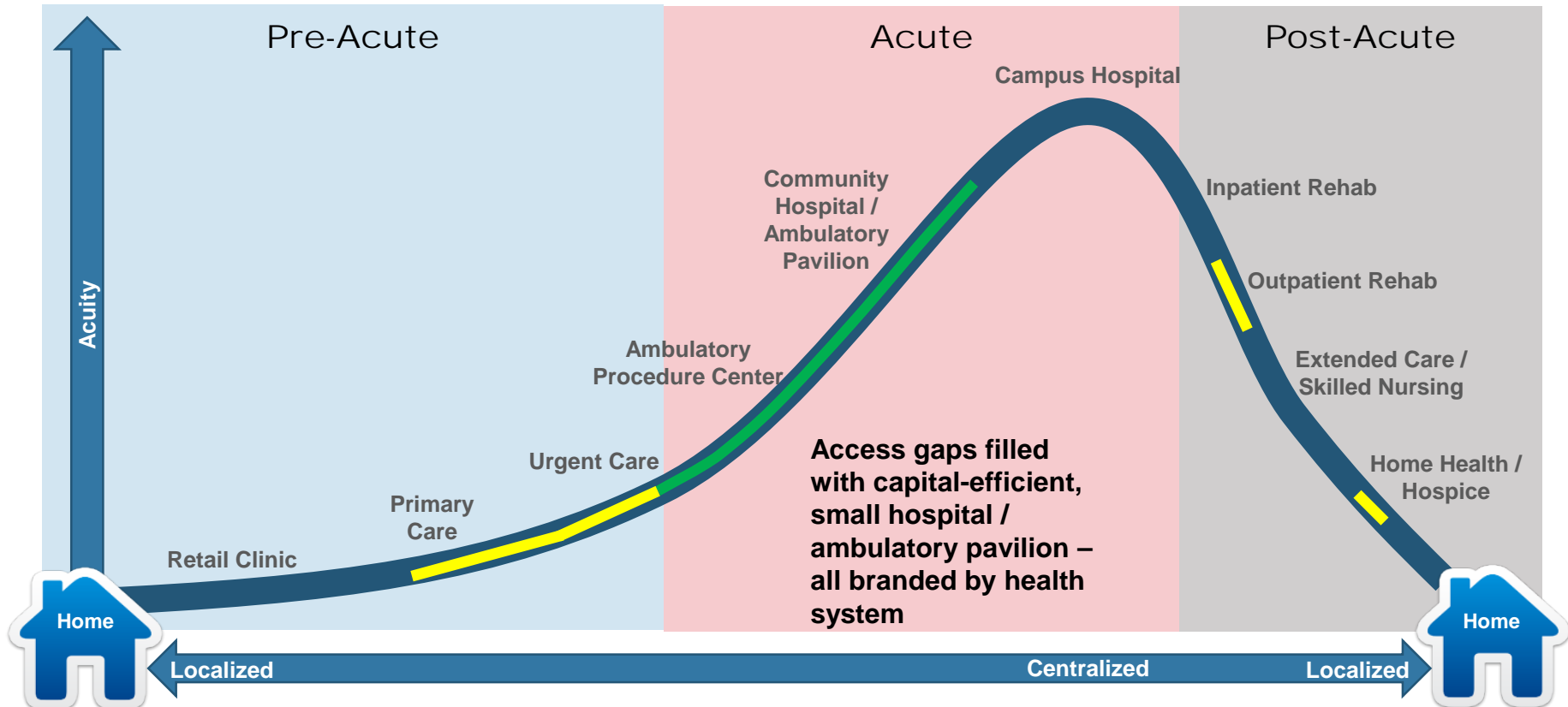
MICRO-HOSPITAL LONG-TERM STRATEGY

Provide care at the right place and cost, where people live, work and play, in a capital-efficient manner

- **Single access point for multiple levels of care and specialty**
- **Differentiated to prepare for population health initiatives**
- **Provide value to patient, provider and payor**
- **Focus on industry-leading clinical quality and patient satisfaction**
- **Test bed for innovation – pricing, quality and efficiency**
- **Clinical and capital-efficient facilities**

CONTINUUM OF HEALTHCARE

Provide efficient, cost-effective care by combining services of Community ED, Outpatient Ambulatory Center and Physician Services in one healthplex conveniently located close to home

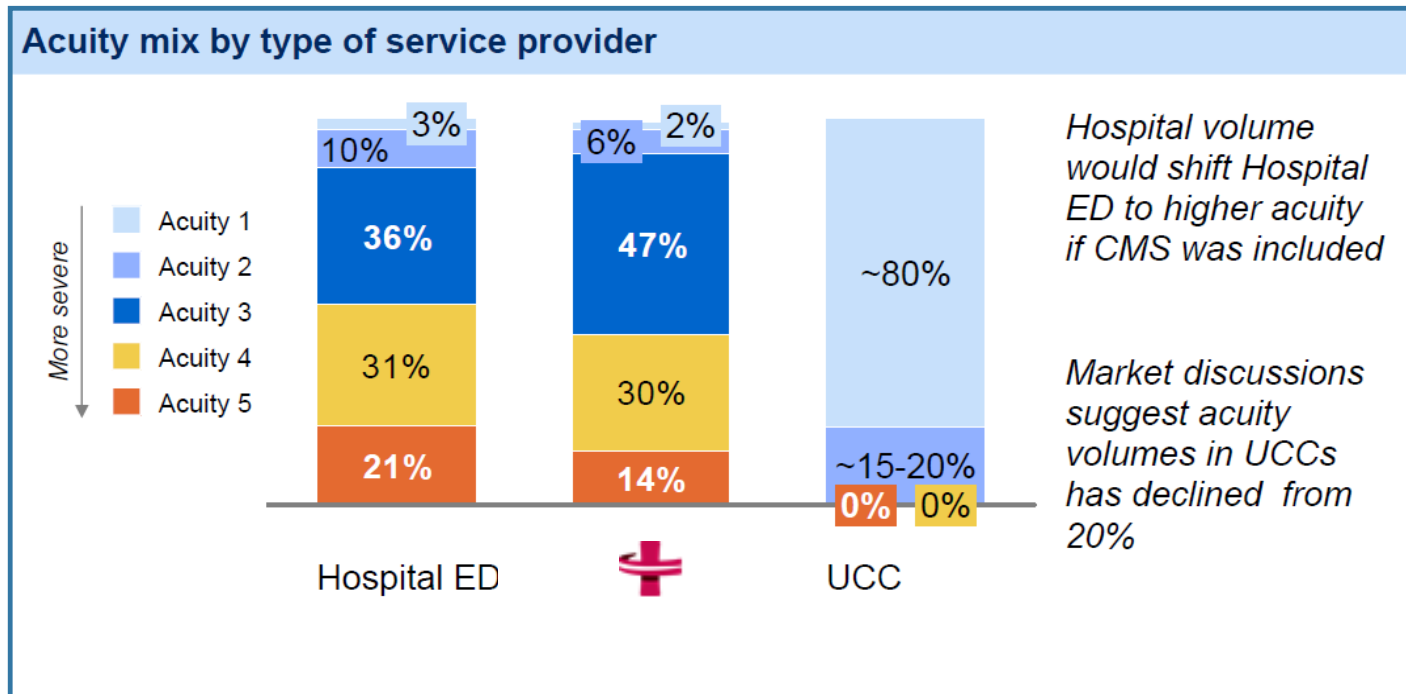


Single access point for multiple levels of care

- Micro-hospital
- Consolidation of other service lines

MICRO-HOSPITAL CAPABILITY

- Acuity on par with community-based hospitals
- Higher level of care capabilities than FSED (Observations and Inpatient)
- Micro-hospitals see a distinct and different patient population than UCCs



WHY PARTNER

VALUE PROPOSITION

Partner/Provider

- Coordinated transfers to higher level of care
- Coordinated transfers to primary/specialty care providers
 - *Assist to build patient/provider relationship, get the patient to the right place the first time*
- Brand promotion
- Fill market gaps
- Clinical and quality improvement
- Reduce overcrowding
- Ability to co-locate primary and specialty care in MOB space in facilities
- Pop. Health Mgt focused

Payor

- Provide clinical access points for patient populations
- Reduced costs through lowered re-admission rates
- Quality care
- Improved outcomes
- Minimal litigation rate
- 0.04% physician complaint rate

Patient

- Exceptional quality and patient satisfaction levels
- Reduced wait times
- Faster discharge times
- Shorter length of stay
- Compassionate and patient-friendly care model
- Access both primary and secondary care at single location

SERVICES WE PROVIDE



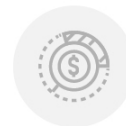
Construction

- National Developer
- Real Estate Capital Funding
- Site Selection (with Business Development)
- Construction, Design, Build
- Architectural Planning
- State & Local Permitting with Hospital & Healthcare Experience
- Project Management



Clinical

- Protocols, Policies & Procedures
- Governing Body, Medical Executive Committee
- Admissions & Transfer Management
- Quality, Core Measures, HCAHPS
- Compliance, HIPAA (Shared with Clinical)
- Physician Credentialing



Finance

- Annual Operating & Capital Budgeting
- Central Billing Office Management
- Financial Auditing & Reporting
- Purchasing & Supply Management
- Managed Contract Review (with Business Development)



Business Development

- New Market Opportunity
- Hospital Partner Relations
- Site Selection
- Analytics: Demographics, Payer Mix, Managed Contracts Rates
- Legal Review



Information Technology

- Network (Wired & Wireless), Telecommunications, and Infrastructure
- Electronic Health Records & Revenue Cycle System
- Integration, Interoperability, Interfaces, Health Information Exchange
- Cloud Hosted PACs & Radiology Portal
- Business Intelligence & Analytics



Marketing

- Opening Ceremony
- Traditional: Billboard, Print, Radio, TV
- Patient Relationship Management / Customer Satisfaction, Yelp Reviews
- Innovation: Social Networking, YouTube, Facebook
- Physician Referrals
- Employer Group Relationships
- Competitor Maps
- Website, Press Releases, Media Events



Human Resources

- Payroll
- Benefits
- Company Culture & Employee Satisfaction
- Recruiting & Talent Management



Operations

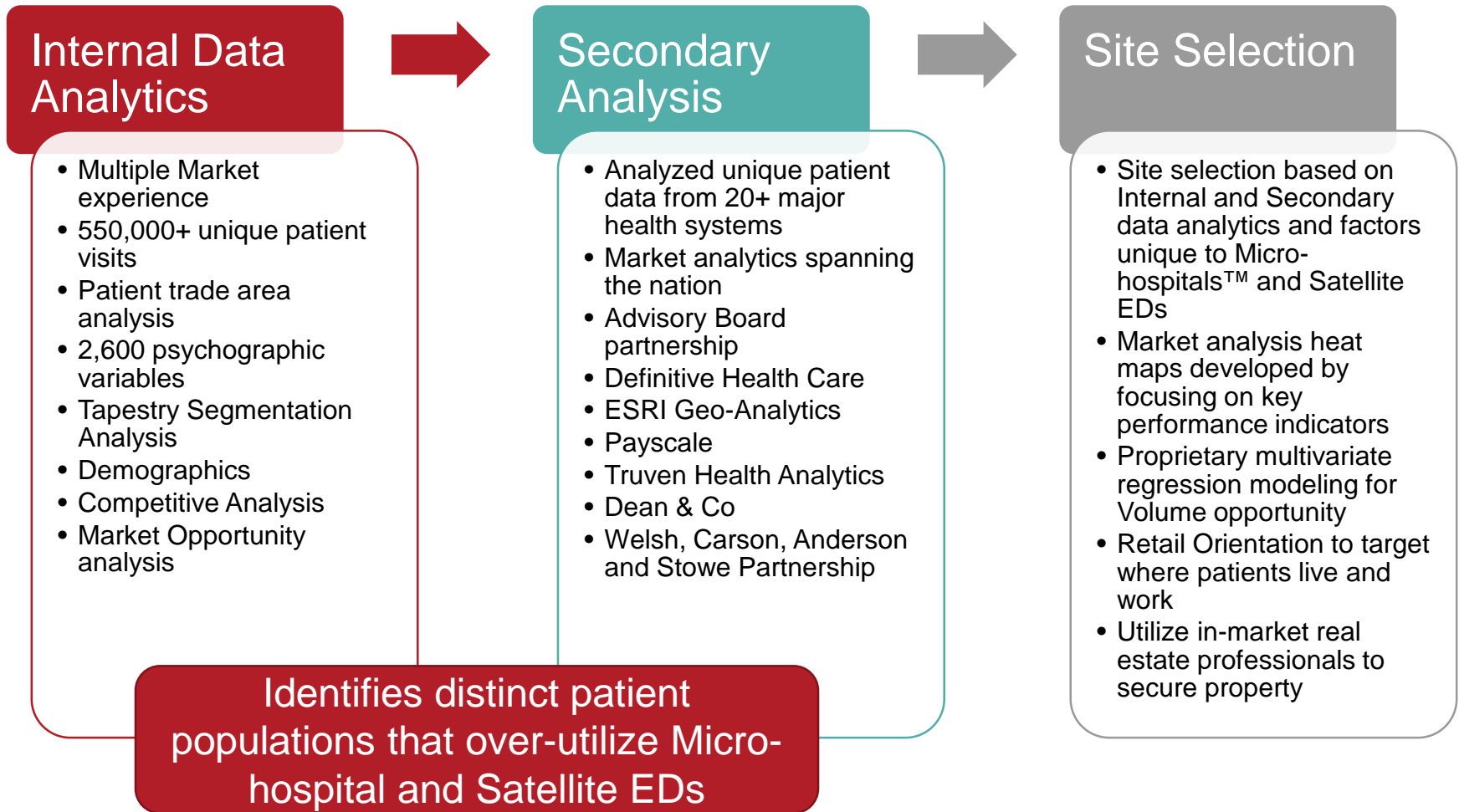
- Client Services
- Facility Openings
- Strategy / Planning / Execution
- Lab / Radiology Oversight
- Front Office Oversight
- Clinical Training Development

DEVELOPMENT PROCESS



- Multi-step process that distills broad market analysis to hard corner site selection, development and management
- As experts in our field Emerus continually evaluates new and existing markets
- One stop shop for long-term development and management

GEO-INTELLIGENCE



MICRO-HOSPITAL PERFORMANCE

| Performance Metric | Emerus | National Average |
|--|-------------|------------------|
| OP4C. Aspirin at Arrival (chest pain) Percent of Patients Receiving | 90% | 97% |
| OP5. Average Time to ECG - Chest Pain | 3 minutes | 7 minutes |
| OP18. Median Time from ED Arrival to ED Departure for Discharged Patients | 86 minutes | 162 minutes |
| OP20. Door to Diagnostic Evaluation to Qualified Medical Personnel | 11 minutes | 28 minutes |
| OP 21. Average Time to Pain Management for Long Bone Fracture | 41 minutes | 53 minutes |
| OP22. Left Without Being Seen (percent) | 1.2% | 2.0% |
| ED1. Average Time from ED Arrival to ED Departure for Admitted ED Patients | 182 minutes | 296 minutes |
| ED2. Average Time from Admit to ED Departure for Admitted ED Patients | 44 minutes | 114 minutes |
| EDEB. Unscheduled 72 hour ER Readmission Rate (bounce-backs) | 1.2% | 15.6% |

| Satisfaction Metric | Emerus |
|---|--------|
| PG Overall Score | 91.1% |
| MD Complaints as a percentage of visits | 0.04% |
| Overall Physician Satisfaction | 90.0 |
| Overall Nursing Satisfaction | 92.7 |
| Likelihood to Recommend | 88.7 |

1 Includes all facilities Emerus owns and manages across multiple markets and brands 12/2015 – 12/2016

2 In Emerus' case, # of minutes to see ER physician NOT other clinician

3 Source: Hospital Compare, www.medicare.gov -- Overall hospital readmission rate

PATIENT EXPERIENCE

Press Ganey Guardian of Excellence Award is given to organizations that have achieved the **95th percentile or higher** for the composite overall rating based on the standard Press Ganey Quarterly Reports during the course of the year



PARTNER OF CHOICE

