

# Driving Change and Transformation at CommonSpirit

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# CommonSpirit Health Today

24  
states  
and hundreds  
of communities  
served

162  
hospitals

2,250+  
care sites

\$5  
billion  
community  
benefit

20  
million  
annual patient  
encounters

~25  
thousand  
physicians  
and APPs

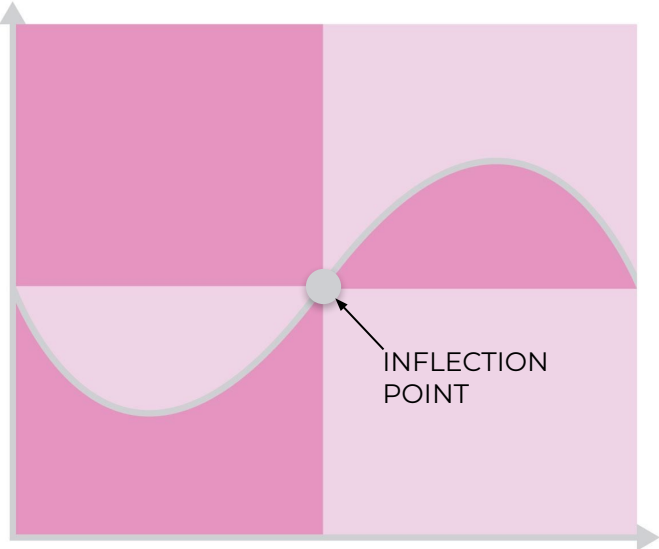
Community benefit includes unpaid cost of Medicare and is as of fiscal year end June 30, 2023. All other data as of December 31, 2023. Total hospitals includes hospitals operated through unconsolidated joint ventures.



# Provider Healthcare is at an Inflection Point

## Landscape

- 1. Momentum of nontraditional market entrants
- 2. Pace of innovation and technology driven solutions



## Economics

- 1. Providers bearing the brunt of inflation
- 2. Payer behavior
- 3. Workforce supply/demand mismatch

***Real change** in market dynamics has to occur if providers are expected to continue to deliver high quality care to our communities.*

# Implementing Traditional and Next Level Solutions



# Leadership Team in Place



**Wright Lassiter III**  
Chief Executive Officer



**Lilia Bailey, Ph.D.**  
SEVP, Chief People Officer



**Daniel Barchi**  
SEVP, Chief Information Officer



**Thomas Kopfensteiner**  
SEVP, Chief Mission Officer



**Thomas McGinn, MD, MPH**  
EVP, Physician Enterprise



**Mitch Melfi, Esq., JD**  
SEVP, Chief Legal Officer



**Daniel Morissette**  
SEVP, Chief Financial Officer



**Terika Richardson**  
SEVP, Chief Operating Officer



**Kathleen Sanford,  
DBA, RN, FAAN, FACHE**  
EVP, Chief Nursing Officer



**Sheri Shapiro**  
SEVP, Chief Strategy Officer



**Michelle Johnson Tidjani**  
SEVP, Chief Administrative Officer



**Robert Wiebe, MD**  
EVP, Chief Medical Officer

# Streamlining the Organization - One CommonSpirit

**Consistent**  
patient experience

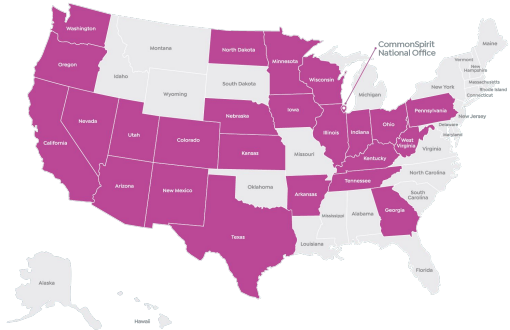
**Unified**  
operating structure

**Uniform**  
clinical standards

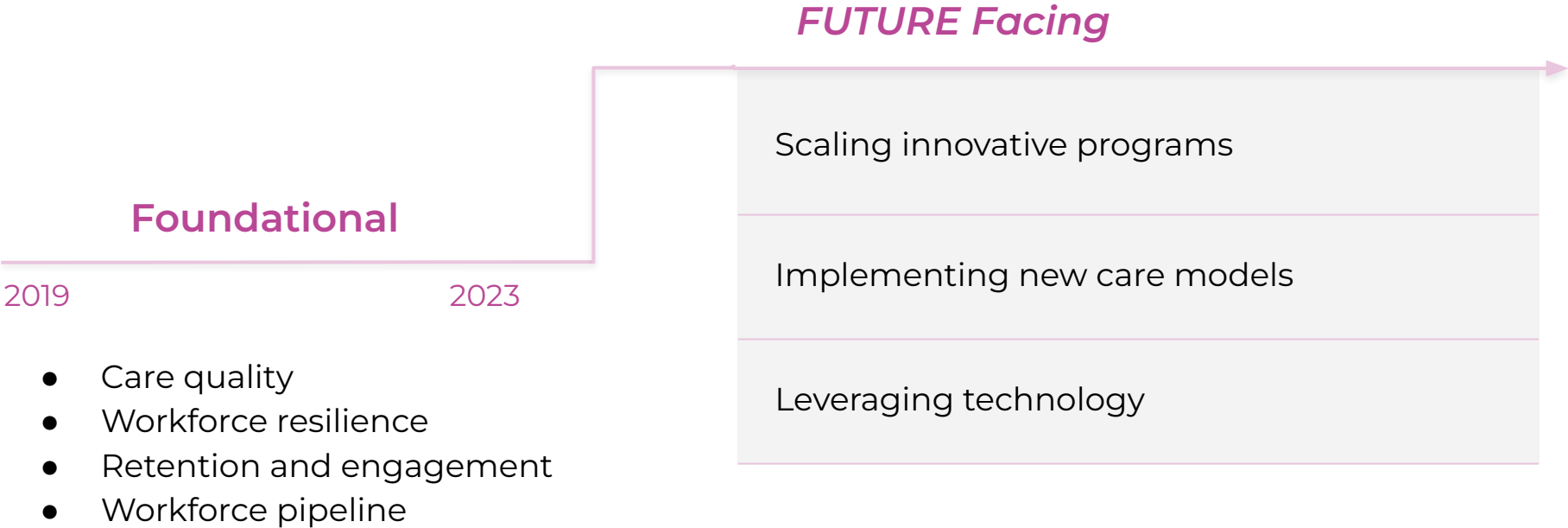
**Aligned**  
strategy

**Leverage**  
systemness

**One**  
culture and identity



# Delivering High Quality Care Starts with our Workforce





# Leveraging Technology and Innovation to Improve Care

## Virtual Care Models

### Virtual Visits

3.6 million

### Virtual Companion

42 facilities in 10 states

### Virtually Integrated Care

29 units, 900 beds by 2024

## Patient Connection Centers

### 4 Centers

serve 1,100 locations

### ~40,000 calls

annually

### Improved capacity, satisfaction and efficiency

## Clinical Command Centers

### ~450,000

patient hours monitored

### \$9.2 million

in savings

### 50,000

patient adverse events  
prevented

# Leveraging Technology: AI to Improve Patient Care

*"We successfully use AI at CommonSpirit, running approximately **60 AI-based systems** which support clinical and operations processes...  
**We should save human discernment for questions best decided by humans, and use tools for the parts where we fall short...**  
*Humanity is the beginning and end of healthcare."**

**Daniel Barchi**

SEVP, Chief Information Officer



## RESULTS

### AI implementation:

SEPSIS

18 million  
sepsis patients  
monitored

4.7% reduction  
in sepsis mortality rate

1600 lives  
saved

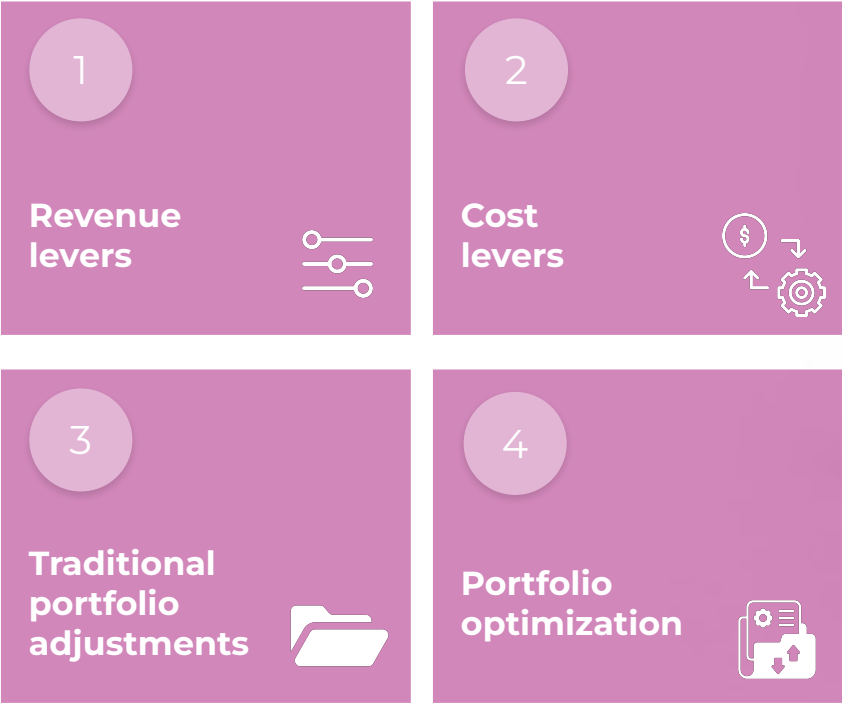
33 ICU hours  
reduction for each sepsis case

23%  
decrease  
in disability  
caused by  
stroke

\$8  
million  
potential revenue  
increase in CA, AZ  
and NV alone

STROKE

# Shifting the Equation



# Revenue Levers

## Revenue cycle performance

- Improve vendor performance
- Reduce clinical denials
- Improve clinical documentation
- Improve patient collections at service site

## Payer performance

- Negotiate payer arbitration and settlement disputes
- Payment integrity and contract compliance

## Payer strategies

- Negotiate for appropriate rate structures
- Redesign upfront processes
- Enhanced analytics
- Improve Managed Medicare and Medicaid agreements

## Accretive growth

- Network integrity
- Transfer centers
- Grow ambulatory care sites
- Selective inpatient growth
- Partnerships

# Cost Levers

## Traditional synergies

- Material initial synergies
- Vendor consolidation
- Real estate portfolio rationalization
- IT application rationalization

## Operating efficiency

- Productivity
- Care management and care coordination

## Leveraging scale

- Standardization
- Supply chain 2.0
- Pharmacy
- Purchased services
- Nursing registry and physician locums
- Service line optimization

## Acceleration

- Finance command center
- Reducing cycle times

# Traditional Portfolio Adjustments

## ADDITIONS

20  
urgent care & FSEDs

16  
imaging centers

~800  
physicians and APPs (net)

St. Elizabeth  
Hospital, CO

Virginia  
Mason, WA

17  
primary care sites

13  
ambulatory surgery centers

Yavapai, AZ

St. Catherine  
Hospital, KS

Holy Cross, UT

## DIVESTITURES

QualChoice

KentuckyOne

MercyOne  
Iowa

Saint Francis,  
St. Mary's  
San Francisco (in process)



Urgent care, imaging or primary care may be co-located at a single site.

# Innovative Partnerships Advance Care Continuum

1

High Access &  
Integrated Delivery  
Model Extensions

Early Detection  
(Cancer IQ)  
Care in Home  
(Contessa, Current  
Health)  
Women's Health  
(Tia, Millie)  
Urgent Care  
(Go Health, Intuitive)

2

Serving Unique  
& Vulnerable  
Populations

Behavioral Health  
(Concert, Xferall)  
Social Drivers of  
Health (UniteUs)  
Enabling Rare  
Disease Research  
(Truveta)  
Culturally Sensitive  
Care (Clever Care)

3

Diversified  
Growth

Next-Gen PBM &  
Specialty Pharmacy  
(Capital Rx)  
Staffing Support  
(Medical Solutions,  
USACS)  
Diversified Access  
(One Medical)

4

Life Sciences  
Innovation

Commercialization of  
CSH Intellectual  
Property (Globus  
Medical, Saccadous,)  
Precision Medicine  
(Freenome)

5

Automation  
& Efficiency

Optimizing Training  
(Amplifire)  
Quality & Efficiency  
(Viz Ai, Leiters)  
Triaging & Follow up  
(Vital)  
DME Delivery  
(Parachute Health)  
Consumer Centered  
Care (Notable)

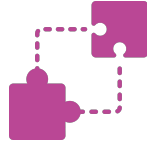
# Portfolio Optimization



Define path to **essentially**  
in key markets



Breadth vs  
**depth**



Implement specific  
market-based  
**strategies for success**



Align and **focus**  
**capital** accordingly





*"Companies that change may survive, but companies that transform thrive. Change brings incremental or small-scale adaptations, while transformation brings great improvements that ripple through the future of an organization."*

*Nick Candito, Entrepreneur & Investor*





# Thank you