Hospital System Performance Optimization

Advancing healthcare delivery systems to yield better results
SCALE’s Services Platform Drives Execution Results Across Evolving Hospital System Performance Needs & Strategic Objectives

Clinical Service Line & Provider Network Management

Corporate Operations & C-Suite Strategy

Hospital System

Core Hospital-Based Physician Services

Supporting Clinical Service Lines

Medical Practice Network

Non-Clinical Services

Corporate Strategy & Market Positioning
Hospitals Are Confronting An Evolving Market Landscape

- While hospitals continue to occupy highly strategic positions within local markets, alternatives to hospital-dominated market dynamics are both emerging and strengthening.

- As a result, the bar for maintaining - let alone enhancing – hospital competitive positioning is expected to rise.

**Legacy Ecosystem**

*Hospital Differentiation Through Structural Barriers to Entry*

- Proliferation of Outpatient Sites-of-Service (*e.g.*, physician-owned ASCs)
- Growing CMS Approval of Outpatient Procedures (*e.g.*, recently seen with cardio interventions)
- Stronger, Consolidated Physician Platform Competitors Driven by Private Equity Investment
- Attractive Independent Physician Equity Value “Carrot” Through Private Equity Investments

**Emerging Ecosystem**

*Hospital Differentiation Through Performance, Versatility & Compelling Stakeholder Value Proposition*
Factors Frequently Limiting Hospital Performance Excellence

- High provider turnover & low provider satisfaction
- Underdeveloped provider recruitment & retention programs
- Pockets of acute financial underperformance across specific divisions & service lines
- Opaque clinical, operational and financial execution & performance reporting
- Subpar patient experience & quality of service
- Undefined “corporate” strategy contributing to vulnerable, or eroding, market positions
Scale’s Hospital System Performance Optimization Services

Clinical Service Line & Provider Network Management

Core Hospital-Based Physician Services
- Assessment of in-house vs. outsourced alternatives
- Assessment of current service provider
  - Performance KPIs
  - Service quality
  - Financial terms

Supporting Clinical Service Lines
- Underperforming service line assessment
  - Strategy, cost savings, & performance improvement planning
  - Performance improvement execution project management
- On-going performance oversight
  - Operational best-practice standardization
  - Benchmarking, reporting & analytics
  - Management oversight program formalization

Medical Practice Network
- Acquired practice integration
- Physician governance, compensation & retention planning
- Practice management & performance improvement

- RFP development & process management
- Coordinated oversight of holistic third-party service provider universe
- Same store growth planning & execution project management
- Practice migration to population health
  - Clinical, financial and operational program & incentive alignment
## Scale’s Hospital System Performance Optimization Services

### Corporate Operations & C-Suite Strategy

#### Non-Clinical Services

- Revenue cycle management performance assessment & improvement
- Payer and population health management strategy

#### Corporate Strategy & Market Positioning

- Market Positioning
  - Local market competitive assessment
  - Market positioning augmentation and competitive differentiation augmentation
  - Corporate marketing, branding & community engagement
- System portfolio assessment
  - Outpatient vs. inpatient weighting
  - Underdeveloped service lines analysis
  - Incentive alignment across service lines & divisions
- Reporting & Data Analytics
  - Enterprise-level executive summary reporting
  - Stakeholder-specific reporting & performance communication (e.g. physicians, department leadership, etc.)

- Strategic partnership development
- Corporate development program
  - Comprehensive M&A strategy across clinical service lines, non-clinical services & physician practices
  - Strategy for competing and / or partnering with private equity
  - Target sourcing
  - Bid differentiation
  - Deal specific diligence & execution support

- C-Suite & Board advisory
# SCALE Physician Group at a glance

## Our partners represent a broad network

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>22</td>
<td>Physician Group engagements</td>
</tr>
<tr>
<td>1,410</td>
<td>Providers across our partners</td>
</tr>
<tr>
<td>16</td>
<td>States our partners operate across</td>
</tr>
<tr>
<td>54</td>
<td>Service line and operational solutions offered by SCALE</td>
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## Our team’s extensive and diverse expertise

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
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<tbody>
<tr>
<td>41</td>
<td>Healthcare companies founded by our team</td>
</tr>
<tr>
<td>31</td>
<td>Exits from healthcare companies our team has led</td>
</tr>
<tr>
<td>116</td>
<td>Healthcare c-suite roles our team has held</td>
</tr>
<tr>
<td>33</td>
<td>Healthcare private equity funds our team has advised (operating partner)</td>
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SCALE partners

*Completed engagement

Clients with hospital services programs
Keith Safian, SCALE’s Chief Advisor of Healthcare System Strategy

Former Role: President & CEO

Results Overseen in Role:
- Planned and implemented a growth strategy to rescue and evolve the hospital from the verge of bankruptcy to consistent profits and widest scope of services.
- Orchestrated the turnaround and sustained growth from an 11% operating loss to operating gains for 23 of 24 years.
- Increased revenues by 450%, from $40 million to $230 million.
- Grew Phelps from 50th to 7th largest employer in Westchester (from 800 to 1,700 employees (+110%)).
- Last 5-year Campaign exceeded its $10 million goal in only 2.5 years; ultimately achieved $20 million.
- Grew the top line by introducing services ahead of market/demographic shifts, including:
  - Biologics infusion center
  - 12-place hyperbaric chamber
  - Advanced endoscopy with all-private-rooms
- Doubled the physical size of the hospital including two medical office buildings, a 750-spot parking garage, MRI Center, and a new all-private-room E.D.
- Built an all private-room medical office building surgicenter and received state approval to use it for inpatients.
- Grew the Press-Ganey Patient Satisfaction peak score from the 47th to 84th percentile in one year, then to the 96th.
- Broadened market reach and scope of services by establishing strategic affiliations with Memorial Sloan-Kettering, New York Medical College, Mount Sinai, and Northwell Health.
- Expanded the medical staff by 166%; established the hospital’s first residency programs.
- Developed system to correlate staffing to patient volume, reducing overtime and FTEs.
- Initiated an enterprise-wide cultural change which improved core measures year-over-year. Earned the JCAHO Top Performer on Key Quality Measures award. Rated 4 Stars by Medicare.
- Raised $6 million in pre-campaign mode including largest gift in the hospital’s history.
Select SCALE Team Experience (continued)

Keith Safian
SCALE’s Chief Advisor, Healthcare System Strategy

Former Role: CEO under a management contract with Community Hospital at Dobbs Ferry, now St. John’s Riverside Hospital, while President & CEO of Phelps Hospital

Results Overseen in Role:
• Led the turnaround of the 50-bed hospital, which reported losses of $1.25 and $3.5 million prior to the management contract.
• This successful initiative resulted in profits in less than two years.
• Corrected mortgage arrears removing the hospital from foreclosure jeopardy.
• Upgraded the physical plant and clinical equipment.
• Created positive cash flow which permitted opening the hospital’s first savings bank account.

Mike Reed
SCALE’s Chief Advisor, Primary Care, Medicare Advantage, ER Staffing and Hospital Physician Services Programs

Former Roles:
• Chief Development Officer, Alteon
• CEO, TeamHealth Hospital Medicine in Sunrise, Florida

Results Overseen in Role (Alteon):
• Restructured business development team to improve process, efficiency and accountability.
• Developed sourcing tool to identify appropriate targets for growth which yielded a 25% increase in opportunities.
• Initiated inside sales function with board approval to support both organic growth and M&A.
• Managed process to successfully place Alteon on preferred partner list with 2 national hospital corporations.

Steven Graubart
SCALE’s Chief Advisor, Micro Hospitals and Operating Partner, Texas

Former Role: Founder & CEO

Overview/Results Overseen in Role:
• Grew the team from startup to over 550 employees, fifteen hospitals, $100mm of revenues and six hospital joint ventures.
• During his tenure, Tandem was recognized in 2018 by PRC as number one in quality and patient experiences in the US out of more than 400 eligible hospitals.
Steven Graubart
SCALE’s Chief Advisor, Micro Hospitals and Operating Partner, Texas

Former Role: President

Overview/Results Overseen in Role:
- Originated and deployed a micro hospital joint venture model with Baylor Scott & White, Baptist Health System, SCL and other hospital systems

Charles M. Trunz, III
SCALE’s Chief Advisor, Hospital Relations and Urgent Care

Former Role: Co-Chief Operating Officer and Chief Administrative Officer

Results Overseen in Role
- Developed system-wide electronic medical records.
- Led a strategic effort to build ambulatory centers for surgery, oncology, and imaging.
- Led efforts to purchase and help manage physician practices across Long Island and NYC.
- Worked with the Board and management to acquire surrounding Community and Tertiary hospitals.

Mike Mirt
SCALE’s Chief Advisor, Executive Payor Strategy & Corporate Health Clinics

Former Roles:
- President, HealthSpring (acquired by Cigna)
- Regional President, Cigna
- EVP & COO, AmeriChoice
SCALE’s deep bench of seasoned & diverse healthcare expertise

Platform development & operations execution team

- Roy Bejarano, Co-Founder & CEO
- Jason Schiffman, Co-Founder & President
- David Friend, Chief Advisor, Restructuring
- Richard Veltre, Chief Advisor, Financial Systems and Controls
- Jeff Kahn, Chief Advisor, Human Capital Management
- David Kovel, Chief Advisor, IT & Data Strategy
- Robert Trenzer, Chief Advisor, Revenue Cycle Management
- Tracy Bahl, Chief Advisor, National Payor Strategy
- Mike Mint, Chief Advisor, Executive Payor Strategy
- Sunili Ponkshe, Chief Advisor, Payer Contracting Strategy
- Peter Cunningham, Chief Advisor, Direct to Patient Marketing
- Susan Silhan, Vice President, Marketing & Communications
- Sandy Seay, Chief Advisor, Human Resource Solutions
- Ernest A. Varvoutis, III, Chief Advisor, Hospital Systems
- Bill Ingram, Vice President, Platform Development
- Rob Popdan, Analyst, Platform Development
- Jack Trunz, Analyst, Platform Development
- Jack Carrier, Associate, Platform Development
- Elizabeth Edgerton, Associate, Platform Operations
- Jonathan Kron, Operating Partner, SCALE Europe
- Jatinder Garcha, Vice President, Platform Development, SCALE Europe
- Susan Silhan, Vice President, Marketing & Communications
- Sandy Seay, Chief Advisor, Human Resource Solutions
- Ernest A. Varvoutis, III, Chief Advisor, Hospital Systems
- Bill Ingram, Vice President, Platform Development
- Rob Popdan, Analyst, Platform Development
- Jack Trunz, Analyst, Platform Development
- Jack Carrier, Associate, Platform Development
- Elizabeth Edgerton, Associate, Platform Operations
- Jonathan Kron, Operating Partner, SCALE Europe
- Jatinder Garcha, Vice President, Platform Development, SCALE Europe
SCALE’s deep bench of seasoned & diverse healthcare expertise

Clinical service line advisor team

Marcella Celentano
Chief Advisor, Ophthalmology Provider Platforms

Larry Crist
Chief Advisor, Urgent Care

Bob DeCresce
Chief Advisor, Pathology

Robert Dondes
Chief Advisor, Managed Care and Payor Networks

Laurie East
Chief Advisor, Pediatric Provider Platforms

Chris Ennis
Chief Advisor, Urology

Chad Eriksen
Chief Advisor, Clinical Research

Steve Fiore
Chief Advisor, Orthopedic Provider Platforms

Steven Graubart
Chief Advisor, Micro Hospitals

William Hughson
Chief Advisor, Fertility & Dialysis Provider Platforms

Gregory Levitin, M.D., F.A.C.S.
Chief Advisor, ENT Provider Platforms

Richard Loewenstein
Chief Advisor, Behavioral Health Platforms

Adam Nielsen
Chief Advisor, Home Health & Hospice Platforms

Nicholas Pachuda
Chief Advisor, Medical Devices

Thomas Petrone
Chief Advisor, Radiology & Radiation Oncology

Janice Pyrce
Chief Advisor, Behavioral Health Platforms

Michael Reed
Chief Advisor, Primary Care, Medicare Advantage, ER Staffing and Hospital Physician Services Programs

Debrał Reese
Chief Advisor, Infusion & Pharma Services

Keith F. Safian, MBA, FACHE
Chief Advisor, Healthcare System Strategy

Mark Sapner
Chief Advisor, Telemedicine & Remote Care Delivery

Steve Strauss
Chief Advisor, Ophthalmology and Dermatology Provider Platforms

Dr. Jordan Stewart
Chief Advisor, Podiatry Provider Platforms

Charles Trunz
Chief Advisor, Hospital Relations & Urgent Care

James Usdan
Chief Advisor, Dental Provider Platforms & Physical Rehab
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