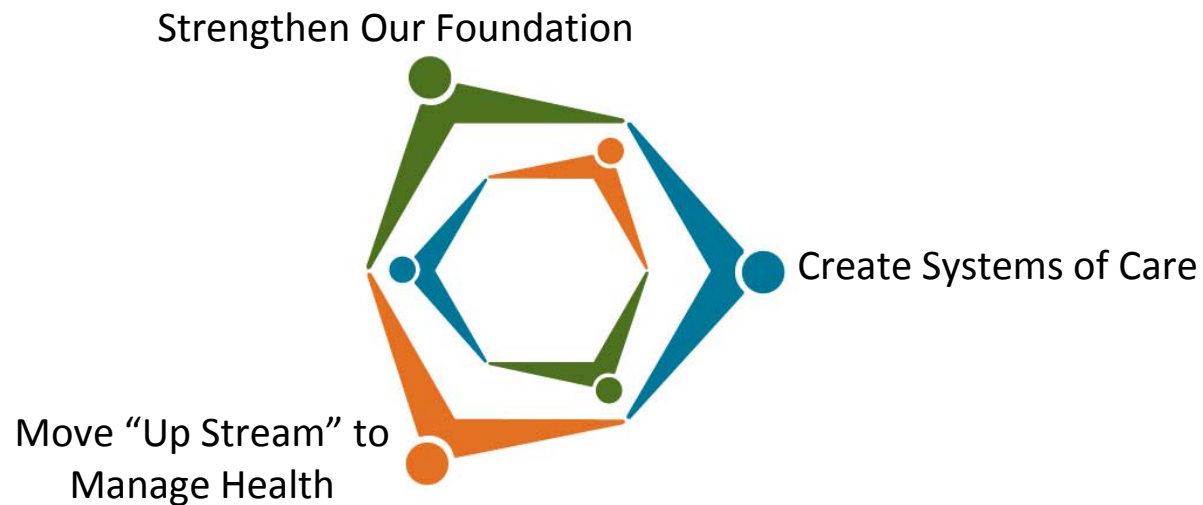




Strategic Plan



Last Updated: April 18, 2009


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Executive Summary

This first integrated system-wide strategic plan of Centura Health was created through the incredible expertise, insights, and energy of literally hundreds of key stakeholders of this organization. It is a dynamic, living plan that will evolve as we gain new insights, identify new opportunities, and encounter new threats. This plan is founded on a desired future state we call Centura Health 2020, reflecting the transformation of the organization to prepare for a health care environment that will be very different from the one we have experienced since the formation of our organization.

Centura Health 2020 is rooted in our Mission and Vision and based upon three simple yet powerful principles:

 *Build Systems of Care:* We will transcend the four walls of our facilities to create true systems of care that connect our facilities together in a seamless network of excellence delivering health services across the full continuum of need. We will extend the notion of hospital-based “Centers of Excellence” to create coordinated “Systems of Excellence” that connect various care delivery settings and allow us to reach out to the communities we serve.

 *Move “Up Stream¹” to Manage Health:* We will devote increasing resources and attention to that portion of our mission statement that calls us to improve the health of the people in our communities. This means we will expand the scope of our services beyond traditional “sick care” to truly manage health in accordance with our health model.

 *Strengthen the Foundation:* We have a tremendous foundation of health care facilities and organizations and a large group of highly committed, mission-centered professionals who share in our ministry. This foundation must evolve with the times to ensure the continued viability and effectiveness of our ministry. To strengthen our foundation, we must continually find ways to improve. A strong foundation will fuel our transformation, allowing us to build systems of care and move “up stream.”

This plan identifies several high priority strategies that we will pursue during the first phase of executing our transformation to Centura Health 2020. These high priority strategies are directed toward the three principles identified above.

¹ The term “move up stream” comes from the metaphor of a river. American hospitals devote considerable attention and resources to help people who have “fallen into the river” and have been injured by the jagged rocks and force of the water as they were swept down stream. This is a direct reflection of the portion of our Mission that calls us to care for the sick. But, we are also called to improve the health of the people in the communities we serve. In the river metaphor, we are called to move “up stream” to help people from falling into the river in the first place, and not to solely focus “down stream” only to help the unfortunate few who have become victims of the river. In effect our responsibilities are both “down stream” and “up stream.” But historically, we like other health systems have not paid as much attention to our “up stream” responsibilities. Centura 2020 reminds us of the need to pay attention to both sickness care and health care.

High Priority Strategies to Create Systems of Care:

Our efforts to create systems of care are directed at improving the typical fragmented non-system that characterizes health care delivery throughout our nation. We strongly believe it is our responsibility to build and nurture coordinated care delivery processes and systems that work seamlessly to address the full continuum of health needs for all who reside in the communities we serve. We will focus our initial efforts to create systems of care focused on trauma care, neurosciences, and cardiovascular services:

Trauma Care: Become the first fully integrated, multi-center trauma system providing world class patient care and service to our communities.

Neurosciences: Position Centura Health as the statewide leader in holistic spine care and stroke and neurovascular care.

Cardiovascular Services: Develop integrated cardiovascular services that are recognized as the highest quality, most accessible, innovative and comprehensive in the region.

High Priority Strategies to Move “Up Stream” to Manage Health:

Our Mission calls us to both care for the ill and improve the health of the people in the communities we serve. In the United States, our efforts at health care delivery are intensely focused on sickness care. That focus is fostered by a perverse and outdated financing system that rewards sick care over health care. We believe that in time, there will be dramatic changes to the American way of financing and delivering health care. We believe we must prepare in advance for what will be profound change. We will focus our initial efforts to move “up stream” on rural health and primary care:

Rural Health: Become our region’s rural health outreach leader facilitating the delivery of high quality, cost-effective health care to rural communities.

Primary Care: Promote and develop sustainable patient-centered integrated systems of care with primary care physicians leading multi-disciplinary teams across the continuum of need to improve the health of defined populations, reduce the per capita cost of care, and positively impact the patient care experience (quality, access, and reliability).

High Priority Strategies to Strengthen Our Foundation:

We believe the success or failure of any organization is determined by its culture. We also believe culture must be engineered and cannot be left to evolve on its own. We have identified four high priority strategies that will enable us to truly engineer our culture:

Strategy F1: Engineer our culture and underscore our *integrity* through “agile consistency” that is transparent both internally and externally to our organization.

Strategy F2: Engineer our culture and further our *imagination* and *excellence* through “disciplined entrepreneurship” that pervades our organization.

Strategy F3: Engineer our culture and boldly live *compassion, respect, and spirituality* through intimate relationships with our partners.

Strategy F4: Engineer our culture and exhibit our *stewardship* through an abiding commitment to help our associates and partners realize their full potential to serve.

In today’s world, effective information systems are inextricably connected to high quality patient outcomes. Like all health systems, Centura Health must master the use of technology to foster our transformation for the future. Clearly, we have made considerable investments in information technology and in the normal course of our activities we will continue to do so in the future. This plan does not address all of the countless initiatives we must and will pursue to apply information technologies throughout our organization. The plan does however include a single “placeholder” strategy symbolic of our commitment to information management as a key component of every service we offer:

Strategy F5: Achieve meaningful use of certified electronic health record (EHR) technologies to facilitate health information exchanges to improve the quality and coordination of care and reduce medical errors and duplicative care.

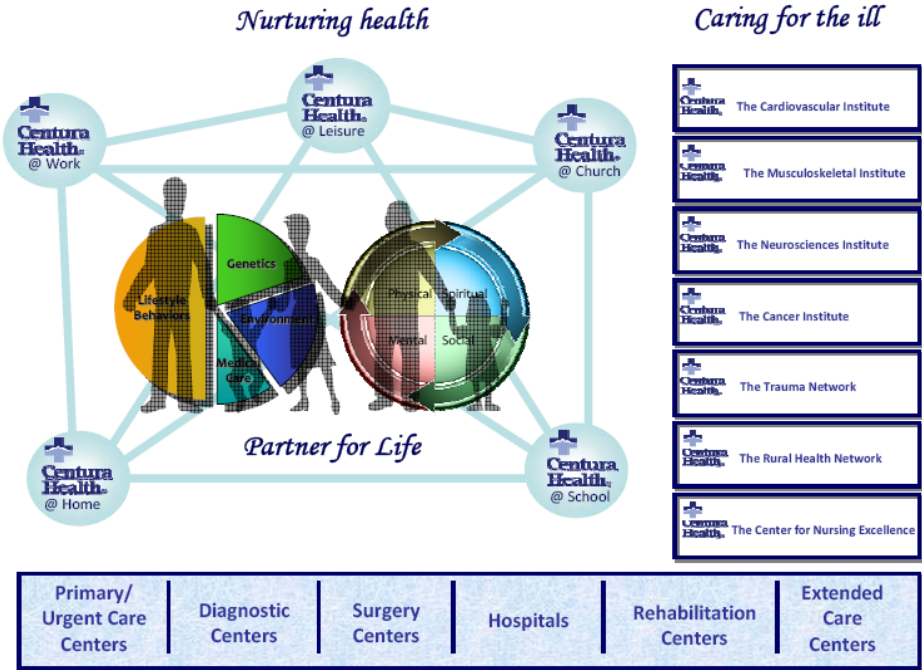
Of course, in addition to needing a strong culture with great people (human capital), a strong foundation also implies we have the financial capital to improve and expand that foundation. Our efforts to create systems of care and to move “up stream” to manage health will require considerable human and financial resources as will the continued operation of our more traditional services and facilities. This plan identifies one overarching strategy aimed at improving our financial performance:

Strategy F6: Strengthen our operating performance to generate sufficient capital to fund our transformation for the future and to ensure the continued viability of our ministries.

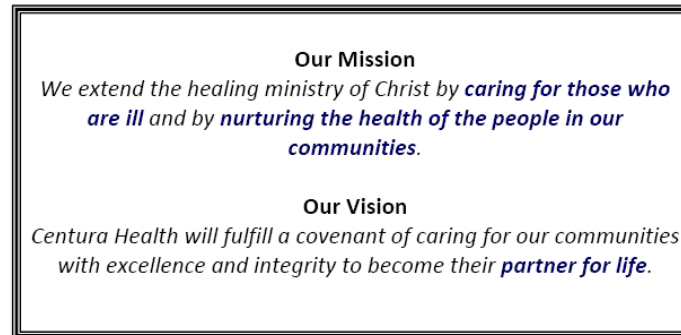
Putting it All Together:

By simultaneously strengthening our foundation, creating systems of care, and moving “up stream” to manage health, we will “get better” while we “get different.” In other words, we will refine and improve our existing services and facilities while at the same time we invent our future. While this document reflects our plan, we fully recognize that our greatest imperative is its successful execution. The plan itself will continually evolve as does any living, dynamic plan. We must be diligent and agile in making adjustments to the plan as appropriate, yet our greatest challenge will be the plan’s relentless implementation. This requires the commitment of leaders throughout the organization, and the tireless efforts of all. Our ability to execute the strategies identified herein will be the product of our ability to successfully communicate throughout the organization to create widespread understanding of our approach and a pervasive belief that this journey leads us directly toward the realization of our Mission and Vision.

The graphic below symbolizes the three principles underlying Centura Health 2020: strengthen our foundation, create systems of care, and move “up stream” to manage health; all for the purpose of becoming partners for life with the people of the communities we serve:



I. Philosophical Underpinnings of Our Plan

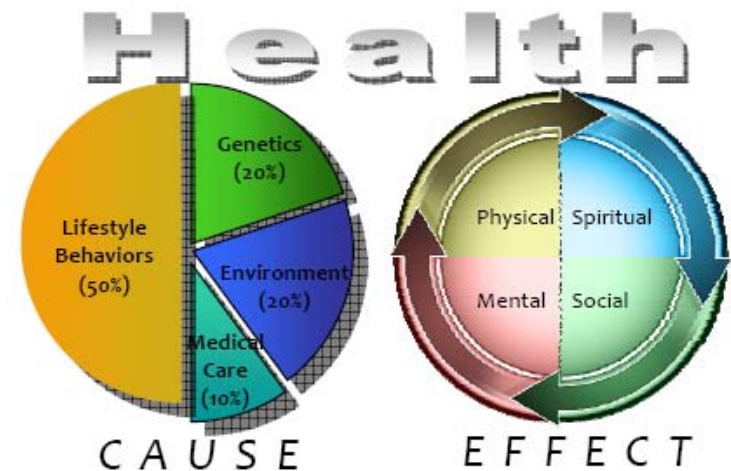


Our Mission calls us to address the full spectrum of health needs, not just to focus on care for those who are ill. A philosophical construct of “health” that is wholly consistent with this way of thinking is a combination of two important health models as reflected in the illustration to the right.

More than twenty years ago, Canadian Minister of Health, Marc Lalonde, suggested that what we know as health is the result of four factors: genetics, the environment, lifestyle behaviors, and medical care. Of these four, by far the greatest impact is from lifestyle behaviors and the least significant impact is from medical care.

The World Health Organization’s definition of health includes physical, mental, and social health. As a religion-based organization, we also recognize the importance of spiritual health. Combined, these models provide a framework for how we view “health” and how we might begin to think about the full spectrum of health needs.

Today, Centura Health, like all health care providers faces great uncertainty about the future, and in particular the promise of fundamental health care reform at the national level, the impact of technology and advancements in genetics, and the unhealthy aging of the population. At no other time in our history has there been a greater imperative for an agile Centura Health capable of continually assessing the environment and acting both proactively and reactively as opportunities and threats are realized. Strategic planning at Centura Health has evolved from a static to a dynamic, living process.



II. Market Assessment

We at Centura Health believe that there is a burning platform for change, based upon an assessment of our market and our own positioning/performance.

Major National Issues:

The ongoing issues with Health Care in the U.S. will be magnified exponentially by the current economic crisis:

- As household budgets decline, “in 2008 the median PPO deductible reached \$1,000 for the first time, making every elective procedure more costly for consumers.” (*Sg2, 1/2009*)
- More than 1 in 3 Americans under age 65 were uninsured at some point during 2006-2007 (*AHA 2009*) and yet rising unemployment and hiring freezes are likely to result in even more Americans losing employer insurance coverage.
- Baby Boomers are aging into Medicare while Medicare is projected to be bankrupt by 2018. Cutbacks in Medicare benefits and decreases in reimbursement are certain. Medicare Advantage products are experiencing significant cutbacks.

Colorado Issues:

- Colorado is facing budget shortfalls and is cutting back on programs.
- While Colorado’s population is projected to continue to increase over the next five years, the population is aging. 11% of us will be 65 or over by 2011 versus 9.7% in 2007.
- Market Discharges have decreased over the last three years and are expected to continue to decline. As outpatient volume grows, the acuity level of inpatient care increases.



Total Denver & South State Markets		
Population (2007) (in 1,000s)		
< Age 65	2,983	90.3%
> Age 65	322	9.7%
Total	3,305	100.0%
Projected Population Growth (2007 – 2011)		
< Age 65	<u>3,110</u>	89.0%
> Age 65	383	11.0%
Total	3493	100.0%

Source: Solucient

Centura Health Issues

- Centura Health lost inpatient market share in FY08. While still the market leader across the state with 27.4% share, Centura is not the leader within any one regional market.
- Centura Health has continued to struggle in its relationships with physicians. According to research by HealthStream, Centura ranks in only the 19th percentile in overall physician satisfaction in 2008.
- Centura has only recently decided to work with Kaiser in the Southern part of the state.
- The recession has affected Centura’s access to capital while accelerating the urgency to reduce cost. Centura must learn to standardize, implement best practices and work together as a system.
- Centura Health must plan and adapt for dramatically changing market forces. We must expand beyond the walls of “bricks and mortar;” and move towards a coordinated, integrated and connected system of care covering the full continuum of need, and not solely an inpatient, residential, and home-centered “sick care” delivery system.

Market Share	Centura		
Service Line	FY 06	FY 07	FY 08
Cardiac Services	30.2%	30.9%	29.6%
Neurology	31.2%	28.9%	28.8%
Neurosurgery	21.2%	19.1%	21.8%
Spine	29.9%	33.5%	36.0%
Trauma	39.8%	40.6%	38.2%
Grand Total	28.2%	28.5%	27.4%

Primary Care

The reimbursement system for primary care is not sustainable. Not surprisingly, then, like nursing, there is a shortage of primary care physicians locally and nationally. Fewer physicians are entering primary care, there are few in the pipeline and many are leaving practices or retiring. As difficult as times may seem for hospitals, they are worse for the primary care practices, which may help to explain the national trend towards hospitals employing primary care physicians.

Kaiser Permanente is the largest employer of primary care physicians coming out of medical school. For both primary care practices and hospitals alike, competing with Kaiser is difficult because they have significant market advantages in the areas of cost, coordination of care, IT systems, and efficiencies. Additionally, Permanente physicians have little to no obligation to serve uninsured (non-Kaiser) patients.

Changes to the reimbursement system are planned at the federal level through such means as value based purchasing and medical homes. And yet, physician practices are not prepared for the infrastructural, management, tracking or electronic medical record system changes that they would be required to make to qualify for these potential changes.

“The fee for service small primary care practice is simply not viable in 2009. The winners in a FFS economy are those who can generate large bills with few motions. Primary care generates small bills with many motions. The game, as currently configured, is fundamentally unwinnable.”
Jay Want MD, CEO PHP January 14, 2009

Cardiovascular

There is no clear market leader in cardiovascular services in Colorado. Centura Health has the largest market share, but only by a small margin as the market share is scattered across hospitals. In addition, Centura has lost cardiovascular market share in each of the past five years. While there are pockets of excellence in specific services, overall Colorado’s hospitals are “average” on a national quality rating basis and do not exhibit any outstanding innovations. No hospital truly stands out from its peers.

Inpatient cardiovascular care is projected to increase by only 3% over 10 years versus outpatient growth of 25%, and employers and communities are looking for solutions in areas of wellness and lifestyle modifications, preventive services such as screenings, and disease management. Centura has not developed a true patient serving continuum-of-care modeled after “the right care at the right time by the right provider.” Additionally, fragmentation and lack of care coordination has lead to leakage of patients out of the Centura system for interventional cardiology, electrophysiology and open heart surgery.

Trauma

According to CDC data, Unintentional Injury is the leading cause of death from birth to age 45 and Colorado’s rates are 50% above the national average. Rural hospitals rarely provide extensive trauma care due to operational challenges, so 15% of trauma patients at community hospitals require transfer. Centura, with over 38% of the market share, Flight for Life, the largest EMS support system, a paramedic training program, and 14 designated trauma centers, is currently a leader in trauma care in Colorado and is well positioned to become a world class trauma system.

Rural Healthcare

Colorado is in many respects a rural state: 73% (47 of 64) counties are rural, 80% of the land mass is rural and 20% of the population resides in rural areas. However, only 11% of licensed physicians practice there, 14 rural counties do not have a hospital, and 98% of rural counties have health professional shortage area designations. While access to care is an issue all over Colorado, these people are even less likely to receive prenatal care, are twice as likely to die in a motor vehicle accident, and are more likely to have uncontrolled hypertension and/or diabetes.

For these reasons, both the State and Federal Governments are committed to finding solutions to these health care challenges. Notably the American Recovery and Reinvestment Act of 2009 included more than \$7 billion to expand broadband access and use, and to promote the adoption and infrastructure for telehealth. Centura’s current rural health outreach efforts are not as comprehensive, effective, and efficient as possible. Potential revenue, patients, and partnerships for Centura Health facilities and programs are being lost to other health care companies.

Spine and Stroke

Applications in the Neurosciences continue to expand, fueled by emerging clinical technologies and advanced capabilities of physicians. Neurosurgical cases contribute more per patient than any other surgical specialty to the hospital’s bottom line. Centura possesses a robust range of Neurosciences service capabilities that covers about 80% of all services. However, as with other service lines, our services are not coordinated, our hospitals are competing with each other and referrals are making their way outside of the Centura system. Furthermore, the lack of accessibility and flexibility to meet the urgent needs of patients is resulting in decreased patient and referral source satisfaction. Lastly all of these factors have impeded our ability to launch an aggressive, coordinated and well branded marketing campaign.

III. Centura Health 2020

– *Inventing the New Centura Health* –

Our Compelling Future:

By the year 2020, Centura Health will transform into a very different organization by pursuing three tracks:

- ✦ Building upon the extraordinary foundation we have today (“strengthen our foundation”);
- ✦ Changing our traditional focus on autonomous facilities to a focus on coordinated systems of care (“creating systems of care”); and
- ✦ Building capabilities and delivery systems that promote health and wellness in accordance with our health model (move “up-stream” to address health management).



Compelling
Future

The three core tracks identified in Centura 2020 complement each other. As our planning process evolved, we recognized that most Strategies *primarily* support one of the three tracks, but that virtually all strategies simultaneously move us forward on two or all three tracks. By listening to many leaders throughout the process, we also learned that they believe that Centura Health should focus immediately on *strengthening our foundation* and *creating systems of care*. They view these as critical underpinnings for Centura Health to truly move up-stream.

Create Systems of Care

We have the strength, credibility, and reach to do something no other Colorado health system can do. We can distinguish ourselves as a statewide system of excellence in care delivery, with a network of centers of excellence providing demonstrable best practices to improve the deteriorating health status of our population.

Move “Up-Stream”

We have the opportunity to move “up stream” to develop a distinctive competency in health management and then to widely deploy that distinctive competency to increasingly meet the needs of the people of the communities we serve in their homes, at school, at church, at work, and during their leisure time activities.

Clearly our greatest challenge in this regard is to build our competencies in advance of changes in the economic structure of the United States health system that currently rewards sick care systems over health care systems. But if we believe our nation will ultimately move from a sickness care “system” to a true health care system, then we must prepare ourselves now for that future reality. Regardless of the future direction of our national health policy, our Mission makes it clear that moving “up-stream” is an imperative.

Strengthen our Foundation

We can and must strengthen the overall performance of our current operating entities across the six pillars (growth, quality, people, service, cost and community). We can and should extend the availability and accessibility of our existing facilities and services. We should provide services that are seamlessly connected across our entities to provide a coordinated network covering the full continuum of health needs.



IV. Planning Process

In late 2008, Centura Health embarked upon a large-scale, system-wide strategic planning process to invent our future together. This process was unlike any previous planning processes used by Centura over the past 14 years. Specifically, our process was designed to be more “bottom up” and peer-to-peer planning than “top down.” In addition, we emphasized a process design that was:

- *Inclusive* – We engaged Sponsors, Board leaders, physician leaders, managers, nurses, and other associates every step along the way. We involved them in Task Forces, at two large planning sessions each engaging more than 200 leaders, at on-site meetings/updates, through written communications, through surveying more than 2,800 stakeholders regarding our preliminary recommendations, and in many other ways.
- *Transparent* – We actively sought to communicate openly throughout this process, engaging leaders and associates in our work-in-progress. In particular, we used Centura’s Virtual Workplace Web site, www.myvirtualworkplace.org, that included all relevant content generated throughout the process and made it easy for our stakeholders to keep pace.
- *Rapid* – We used *Rapid Design Concepts* to develop a Strategic Plan over a four-month period instead of taking a full year.
- *“Outside-in”* – We wanted a process that focused on how Centura could be best at meeting the needs of communities, patients and others we serve. To that end, we involved payers, communities, agencies, and business perspectives from the outset.
- *Values-driven* – We designed our process to incorporate our Values in Action (VIA) to ensure that our final recommendations were made within the context of our Values.
- *Dynamic* – This plan is intended to be a living document that will be continually updated to reflect the agility of the organization to act and react to new opportunities and the changing market.

The goal of the process was to develop a fully integrated, continually evolving roadmap to the future of a re-invented Centura Health in ten years—a Centura Health that focuses on achieving a Mission and Vision that call us to:

- Care for those who are ill,
- Nurture the health of the people in our communities, and
- Become their partner for life.

Our intention, from the outset, has been to build a dynamic, living process and plan rather than a static process and “document.” Importantly, this roadmap needs to re-focus us on our overall health care ministry – emphasizing health and wellness, not just hospital and long term care. This roadmap includes both an over-arching system-level framework and direct linkages to operating entity-level plans—and, importantly, to intra-operating entity plans. The components of the Strategic Plan are presented graphically in Exhibit 1 on the next page. The content of the Plan is presented in the remainder of this document.

The cornerstone of our planning process was the work of eleven Strategic Plan Task Forces. These Task Forces involved approximately 190 leaders from across Centura Health. Their charge was to envision and recommend what Centura Health might become in the future relative to the task force’s area of focus (i.e., a “vision for the future” along with a business plan to achieve that desired result). The planning process is presented schematically below:

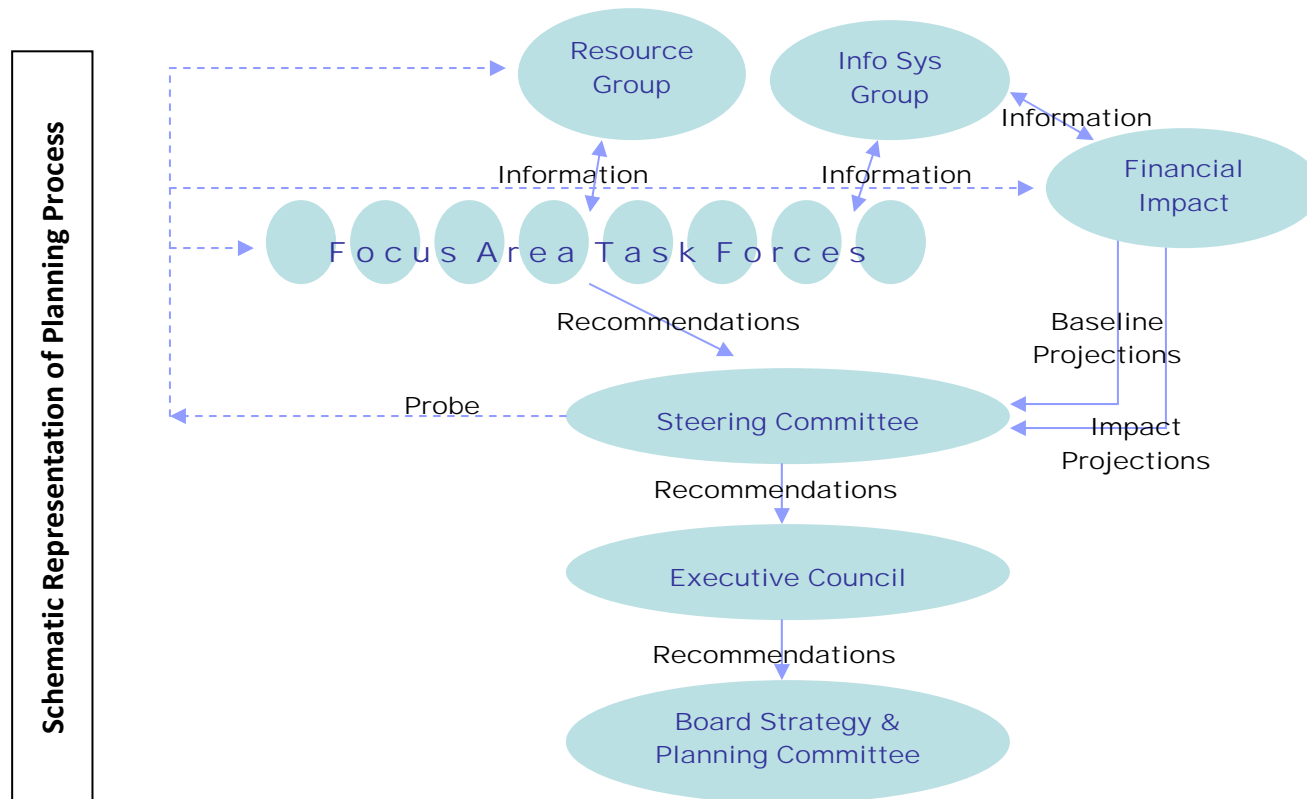


Exhibit 1
Centura Health’s Strategic Plan: Components

Mission

Centura Health’s reason for existing: to extend the healing ministry of Christ by caring for those who are ill and by nurturing the health of the people in our communities.

Values

Compassion, Respect, Integrity, Spirituality, Stewardship, Imagination, and Excellence.

Vision

Clear picture of Centura Health’s long-term intent: fulfilling a covenant of caring for our communities to become their partner for life.

Desired Future State

Our “Desired Future State”, Centura 2020, is a clear description of “how” Centura will transform over the next decade to accomplish our Mission and Vision, using our Values as our lens for all decisions.

Goals

Three core tracks to achieve Centura 2020: strengthen our foundation; create systems of care; and move up-stream.

High Priority Strategies

Specific statements of high priority actions and approaches to be used to achieve our Goals.

Strategy-Related Outcomes

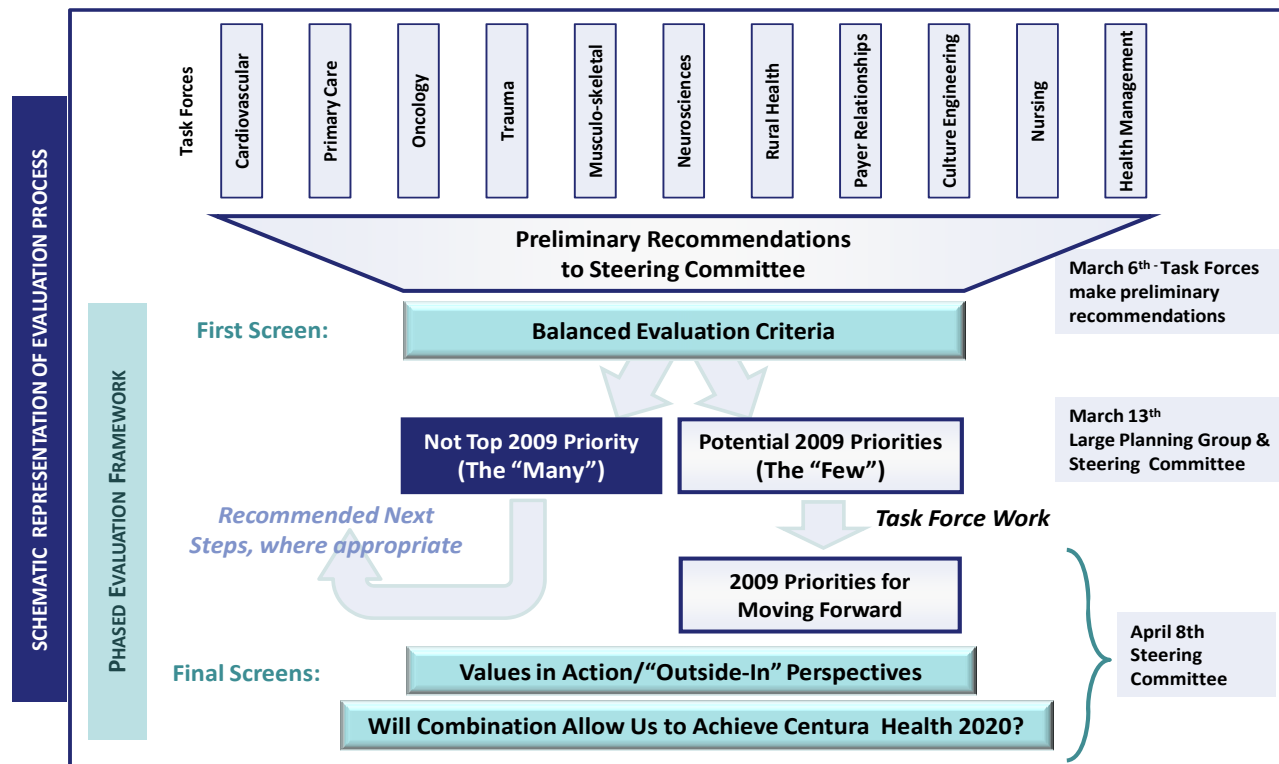
Meaningful and measurable indicators of Centura Health’s performance in achieving our High Priority Strategies. Used to monitor implementation and reward performance.

Tactics

3 – 4 specific actions to further each High Priority Strategy and achieve the Strategy-related Outcomes.

Out of necessity, given limited resources, our planning process mandated that we make difficult trade-offs and choices among very worthy initiatives and projects. We recognized upfront that some significant opportunities would need to be postponed or bypassed so that we could adequately and fully pursue other priority initiatives.

A critical component of the planning process, therefore, became an objective and transparent evaluation process through which the recommendations of the eleven Task Forces could be compared in order to establish priorities for the next several years. The evaluation framework was based upon Centura’s Mission, Vision, and Values; Centura 2020; Centura’s six pillars; and the expected financial requirements associated with individual High Priority Strategies. A schematic representation of the evaluation process is presented below:



Centura Health’s Evaluation Process

Our planning process focused on identifying the Connecting Bridge between the burning platform created by our market assessment and the compelling future vision of Centura 2020.



**Burning
Platform**



**Connecting
Bridge**



**Compelling
Future**

The recommendations included in our Strategic Plan are a synthesis of the enormous talent and work that has gone into their formulation. The recommendations include:

- High Priority Strategies – to create systems of care, move up-stream, and strengthen our foundation. There is substantial additional detail regarding specific implementation steps related to each of the high priority strategies beyond that presented in this document. Specifically, for each Tactic, an additional 6-8 implementation steps have been identified. In addition, the specific manner that each Strategy and Tactic further Centura’s Six Pillars have been articulated. Distinctive Competencies related to each Strategy have been identified. Key success factors, along with expected obstacles/challenges and approaches to overcoming these, have been considered. This detail is available on our Website www.virtualworkplace.org.
- Other initiatives were identified during the planning process that, while not identified as top strategic priorities, merit continued focus and attention by existing Councils so as to ensure that potential benefits are realized, without expending substantial financial resources.

With our living plan, strategies and tactics will be implemented, re-assessed, refined, and reconstituted on an ongoing basis through the Centura Health Councils structure to optimize our actions and reactions to opportunities and challenges as they arise and evolve.

V. Our Plan

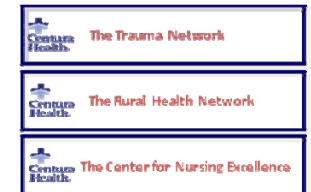
By the year 2020, Centura Health will transform into a very different organization by applying “agile consistency” to strengthen our foundation, create systems of care, and move “up stream” to manage health.


Our strategies and tactics will evolve over time as our opportunities and threats become clearer, and as we learn from our efforts to transform our ministries for the future. Our first phase of implementing Centura Health 2020 involves five high priority strategies with numerous related tactics, as well as several strategies and tactics that are specifically designed to support and facilitate the realization of these priorities.


Goal A: Creating Systems of Care – High Priority Strategies


We will change our traditional focus on autonomous facilities to a focus on coordinated Systems of Care.

As Colorado’s largest health system, we have the unique opportunity to establish coordinated care delivery systems transcending the walls of our facilities to connect our care delivery processes together in a seamless system of excellence. Our plan is initially focused on three service lines we believe have the greatest potential to improve health care delivery across Colorado and advance our transformation to Centura Health 2020: Trauma Services, Neurosciences, and Cardiovascular Services. These strategies reflect our values of *excellence, integrity, respect, and imagination.*



High Priority Strategy	Tactics	4-Year Costs	2014 Outcomes
 <p>Trauma</p> <p><u>TR: TRAUMA STRATEGY</u></p> <p>Become the first fully integrated, multi-center trauma system providing world class patient care and service to our communities.</p>	<p>TR.1: System coordination of care, including injury prevention, research and community wellness/education; patient clinical outcomes, operational efficiency, individual facility success and system market share & financial performance.</p> <p>TR.2: Affiliate with and provide added value to other Centura product lines as well as non-Centura facilities, agencies and practitioners to expand the depth and scope of Centura services to the region.</p> <p>TR.3: Optimize financial and operational performance to maximize revenue and minimize costs to achieve a 14% EBITDA with a strategic business focus.</p>	<p>\$100,000 Capital</p> <p>\$2.3 M Four-Year Operating Investment</p> <p><i>See Appendix A for Financial Impact</i></p>	<ul style="list-style-type: none"> ✦ Increased volume = 175 inpatient cases by Year 4. ✦ Documented best practices in clinical outcomes exceed national benchmarks. ✦ Recognized leader in each region for injury prevention and wellness through outreach, education, and research. ✦ Trauma activations increased by TBD. ✦ Centura the preferred trauma center in Southern Colorado. ✦ Centura trauma system is a role model that assists in the advancement of other clinical initiatives and service lines. ✦ All eligible Centura trauma programs are verified by the American College of Surgeons.

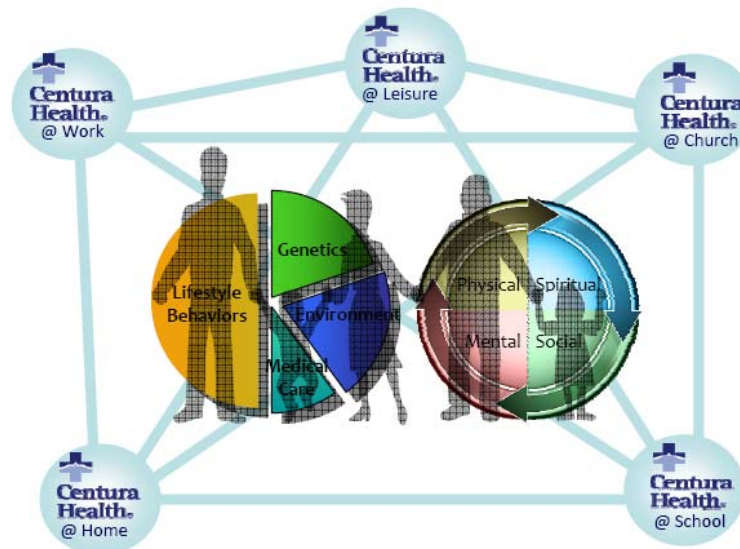
High Priority Strategy	Tactics	4-Year Costs	2014 Outcomes
 <p>Neurosciences</p> <p><u>N: NEUROSCIENCES STRATEGY</u></p> <p>Position Centura as the statewide leader in Holistic Spine Care and Stroke & Neurovascular Care</p>	<p>SC.1: Create Holistic Spine Centers of Excellence to establish Centura Health as the destination of choice.</p>	<p>No capital required \$500,000 Four-Year Operating Investment <i>See Appendix A for Financial Impact</i></p>	<ul style="list-style-type: none"> ✦ +148 additional IP Spine cases by Year 4 ✦ Improvements in Spine quality indicators ✦ Implement cost savings initiatives to Increase spine contribution margin per case by 10%
	<p>SN.2: Align hospitals and resources to ensure a Stroke & Neurovascular (Cerebrovascular) network of care at Centura Health, serving all Colorado.</p>	<p>No capital required \$300,000 four-year Operating Investment <i>See Appendix A for Financial Impact</i></p>	<ul style="list-style-type: none"> ✦ + 144 additional IP Stroke cases by Year 4 ✦ Stroke Designation received ✦ Market leader in Neurosciences \geq 30% share ✦ Physician satisfaction score \geq 80th percentile ✦ Leader in advanced imaging and technology (SRS) ✦ HCAHPS Q 22 score > 80th percentile


High Priority Strategy	Tactics	4-Year Costs	2014 Outcomes
<div data-bbox="149 505 579 643" style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">  </div> <p data-bbox="138 690 457 716"><u>CV: CARDIOVASCULAR STRATEGY</u></p> <p data-bbox="138 737 552 894">Develop integrated Cardiovascular services that are recognized as the highest quality, most accessible, innovative and comprehensive in the region.</p>	<p data-bbox="621 496 1050 618">CV.1: Create a systematic, coordinated approach to cardiovascular services including common “branding” and standardized practices.</p>	<p data-bbox="1100 607 1260 633">\$3.0 M Capital</p> <p data-bbox="1100 654 1404 712">\$5.5 M Four-Year Operating Investment</p> <p data-bbox="1100 734 1409 792"><i>See Appendix A for Financial Impact</i></p>	<ul style="list-style-type: none"> <li data-bbox="1446 496 1940 586">✦ Clinical results in the upper quartile of all applicable databases including CMS, STS and ACC <li data-bbox="1446 607 1940 665">✦ Centura recognized by all major payers as a “Cardiac Center of Excellence” <li data-bbox="1446 686 1913 745">✦ 1,004 additional IP admissions (market share growth of 1% per year) <li data-bbox="1446 766 1940 824">✦ Incremental contribution margin increase of \$9.7 M <li data-bbox="1446 846 1927 904">✦ Expense savings due to reduced practice variation of \$2 M (\$500,000 per year)
	<p data-bbox="621 678 1020 737">CV.2: Use a variety of approaches to align with Physicians.</p>		
	<p data-bbox="621 824 1031 883">CV.3: Achieve superior clinical results recognized by patients and payers.</p>		


Goal B: Moving Up-Stream – High Priority Strategies

We will Build capabilities and delivery systems that promote health and wellness in accordance with our health model.

Our Mission calls us to improve the health of the people in the communities we serve. This represents our calling to transcend sickness care to establish a true *health* care system. This requires distinctive competencies in health management and the ability to maintain life-long trusting relationships throughout the continuum of health needs. We have identified to high priority strategies that will help us to better advance our capabilities and services in this regard: Rural Health Services and Primary Care Services. These two strategies evidence our commitments to our values of compassion, respect, and imagination.



High Priority Strategy	Tactics	4-Year Costs	2014 Outcomes
 <p>Rural Health</p> <p><u>RH: RURAL HEALTH STRATEGY</u></p> <p>Become our region’s rural health outreach leader facilitating the delivery of high-quality, cost-efficient health care to rural communities.</p>	<p>RH.1: Develop the system – Establish a sustainable organizational infrastructure and processes for rural health care outreach that provide value to those we serve at a higher level than our competition.</p> <p>RH.2: Develop the relationships – Cultivate relationships and partnerships by understanding and meeting the needs of rural communities, facilities, and providers.</p> <p>RH.3: Develop the services – Define and develop a suite of cost-effective and innovative clinical and non-clinical services, as identified/requested by our rural partners (outside-in approach), that Centura will provide to rural communities, facilities, and providers (delivered both locally and within Centura facilities as appropriate).</p>	<p>\$180,000 Capital</p> <p>\$3.5 M Four Year Operating Investment</p> <p><i>See Appendix A for Financial Impact</i></p>	<ul style="list-style-type: none"> ✦ The number of patients admitted to Centura’s facilities from Colorado’s rural communities has increased from 9,335 in 2008 to 10,593 in 2013. ✦ From its current number of 7 Critical Access Hospital Support agreements, Outreach Services has added another 8 Critical Access agreements. ✦ Centura has formal exclusive Affiliation Agreements in place with 2 strategically significant rural hospitals. ✦ 20% increase in the number of rural health communities, facilities, and providers who identify Centura as preferred partner over the baseline survey conducted in Q1 2010. ✦ Total number of Centura-affiliated physician specialist contacts with patients locally in rural communities has increased by 15% over Q4 2009 baseline. ✦ Measurable improvements in Health Status of residents in rural communities as compared to initial baseline measurements (metrics TBD).

High Priority Strategy	Tactics	4-Year Costs	2014 Outcomes
 <p>Primary Care</p> <p>PC: PRIMARY CARE STRATEGY</p> <p>Promote and develop sustainable patient-centered integrated systems of care with Primary Care Physicians leading multi-disciplinary teams across the continuum of need to improve the health of defined populations, reduce the per capita cost of care, and positively impact the patient care experience (quality, access, and reliability).</p>	<p>PC.1: <u>Physical/Clinical Integrated Model</u> – Develop a corporate strategy that guides Centura in creating business relationships with the primary care community.</p> <p>PC.2: <u>Colorado Center for Primary Care Advancement</u> – Establish a resource center for excellence in primary care systems and best practices linking key stakeholders and experts from across the state to promote value-based, sustainable, care delivery systems.</p> <p>PC.3: <u>Community Health Record</u> – Develop a Data Repository that will link strategic systems from Centura EMR systems, hospitals, and physician practices that are not yet fully integrated.</p> <p>PC.4: <u>Health Management</u> – Hardwire health management competencies throughout Centura via an integrated systems approach. Inventory scope and nature of current HM resources. Refocus these resources including the current “resource center” to support strategy.</p> <p>PC.5: <u>Partners for Life</u> – Establish a single customer contact to expand Centura’s reputation within communities.</p>	<p>\$1.7 M Capital</p> <p>\$7.5 M Four Year Operating Investment plus \$12 M in PCP subsidies over four years</p> <p><i>See Appendix A for Financial Impact</i></p>	<ul style="list-style-type: none"> ✦ By Year Four 2,199 incremental IP admissions. ✦ 60% of all primary care providers in each Centura market service area will use Centura’s integrated health record and regional health information exchange to enhance patient care, report clinical outcomes and participate in pay for performance quality improvement activities ✦ At least 30% of all credentialed physician medical staff members, of which 50% being primary care physicians, participate in their respective clinical integration models. ✦ Pilot program for Centura RN Case Managers (Nurse Life Partnership). ✦ CCPCA will provide services in all Centura market service areas to providers, practices, physician organizations, hospitals and other healthcare systems, and at least 50% CCPCA participants will consist of Centura entities or affiliated providers. ✦ 100% of primary care physicians employed, receiving incentives, or recruited through Centura facilities will utilize CCPCA to receive best-practices education and consultative practice support critical to their clinical and business success.

Goal C: Strengthening Our Foundation – High Priority Strategies



The realization of Centura Health 2020 will require a strong supporting organizational culture to fortify, guide, and unify the efforts of the people who serve our health ministries. This culture is foundational to our entire strategic plan. So, our plan begins with four specific strategies intended to promote the engineering of our culture. These strategies reflect our values of *integrity, compassion, spirituality, and respect*.




High Priority Strategies	Tactics	4-Year Costs	2014 Outcomes
 <p>Culture Engineering</p> <p>F. 1: CULTURE ENGINEERING: AGILE CONSISTENCY</p> <p>Engineer our culture and underscore our Integrity through “agile consistency” that is transparent both internally and externally to our organization.</p>	F.1.A: Maintain a regularly updated “living” strategic plan through system-wide councils focused on the successful execution of the key strategic imperatives of Centura Health.	No incremental costs.	<ul style="list-style-type: none"> ★ The strategies and tactics identified in our plan will be realized within the specified timeframe.
	F.1.B: Maintain standardized position descriptions and pay practices throughout the system.	No incremental costs.	<ul style="list-style-type: none"> ★ A consistent approach will reduce the costs associated with duplication and competition.
	F.1.C: Establish a robust business intelligence function to provide consistent reliable information for decision makers at all levels of the organization.	TBD	<ul style="list-style-type: none"> ★ Valid, reliable information to support decision-making processes will be available to all decision makers throughout the System.


<i>High Priority Strategies</i>	<i>Tactics</i>	<i>4-Year Costs</i>	<i>2014 Outcomes</i>
<u>F. 2: CULTURE ENGINEERING: DISCIPLINED ENTREPRENEURSHIP</u> Engineer our culture and further our <i>Imagination and Excellence</i> through “disciplined entrepreneurship” that pervades our organization.	F.2.A: Maintain systems and processes that optimize the identification and consistent application of best practices throughout Centura Health.	No incremental costs.	✦ There will be reduced variation, improved quality, increased discipline, and greater stewardship.
	F.2.B: Centuritize strategic planning, business development, and community benefits management.	No costs beyond those already identified and budgeted annually.	✦ We will achieve a better balance of discipline and entrepreneurship while reducing costs by \$_____.
	F.2.C: Focus the Growth Council on the identification and deployment of new and expanded services across the System.	No incremental costs.	✦ We will establish and meet our growth targets each year.
<u>F. 3: CULTURE ENGINEERING PARTNERSHIPS</u> Engineer our culture and boldly live <i>Compassion, Respect, and Spirituality</i> through intimate relationships with our partners.	F.3.A: Focus community benefit services on specific identified health outcomes.	No incremental costs.	✦ We will secure greater impact from the resources we devote to community benefits.
	F.3.B: Promote whole person care by advancing processes to maintain partner relationships with patients after their discharge from our operating entities.	TBD	✦ By maintaining close, trusting relationships with those we serve, we will better serve them and better secure sources for our growth.
	F.3.C: Significantly expand ongoing transparent communications with physicians, businesses, and payers to assess how Centura Health may best address their needs and to communicate our progress in that regard.	TBD	✦ By maintaining close, trusting relationships with our partners, we will gain greater support for our efforts and more readily identify synergies in our commonalities.

<i>High Priority Strategies</i>	<i>Tactics</i>	<i>4-Year Costs</i>	<i>2014 Outcomes</i>
<p><u>F. 4: CULTURE ENGINEERING: REALIZING FULL POTENTIAL</u></p> <p>Engineer our culture and exhibit our <i>Stewardship</i> for the future of our ministries through an abiding commitment to help our associates and partners realize their full potential to serve.</p>	F.4.A: Establish and maintain a systematic strategic talent development and ministry formation program.	\$100,000 for consultants	<ul style="list-style-type: none"> ✦ We will have the talent required to successfully execute our strategies.
	F.4.B: Continually identify, articulate and foster competency in successful management practices.	No incremental costs.	<ul style="list-style-type: none"> ✦ We will manage with integrity; delivering what we say and clearly articulating what we will deliver.
	F.4.C: Foster and advance optimal health self-management practices of our associates.	TBD	<ul style="list-style-type: none"> ✦ Associate health benefit expenses will be reduced by \$_____.

We also recognize the imperative to embrace technology in support of our transformation to Centura Health 2020 and specifically to further develop and deploy an integrated electronic health record to enhance our care delivery processes.

<i>High Priority Strategies</i>	<i>Tactics</i>	<i>4-Year Costs</i>	<i>2014 Outcomes</i>
 <p>F. 5: Electronic Health Record.</p> <p>Achieve meaningful use of certified electronic health record (EHR) technologies to facilitate health information exchanges to improve the quality and coordination of care and reduce medical errors and duplicative care.</p>	<p>F.5.A: Implement computer provider order entry (CPOE), physician documentation and bedside medication verification (BMV)</p>	<p>BMV: \$1.05 million capital, \$98K operating</p> <p>CPOE: _____</p> <p>Physician documentation:</p>	<p>✦ Centura would receive up to \$31 million in incentive payments over the four years 2011-2014. Lack of meaningful use will result in reduced reimbursement starting in 2015.</p>
	<p>F.5.B: Establish connections to the Colorado health information exchange (CORHIO)</p>	<p>TBD</p>	<p>✦ Necessary to receive the meaningful use incentives described above.</p>
	<p>F.5.C: implement LSS clinical module with e-prescribing and physician documentation</p>	<p>\$1.0 million</p>	<p>✦ Centura’s physicians will receive the incentive payments for meaningful use.</p>

Maintaining and strengthening our foundation and investing in our transformation to Centura Health 2020 will require increasing amounts of financial capital to invest in the people, facilities and technologies required by our ministries.

<i>High Priority Strategy</i>	<i>Tactics</i>	<i>Costs</i>	<i>Outcomes</i>
 <p>Operating Performance</p> <p><u>F.6. STRENGTHEN OPERATING PERFORMANCE</u> Strengthen our operating performance to generate sufficient capital to fund our transformation for the future and to ensure the continued viability of our ministries.</p>	<p>F.6.A: Through a concerted effort across the System, resize our infrastructure and reduce overhead costs.</p>	<p>\$200,000 for consultants</p>	<ul style="list-style-type: none"> ✦ Overhead costs will decrease by 10% (\$X) by July, 2010.
	<p>F.6.B: Aggressively apply process improvement techniques and diligent management to continually improve the quality and efficiency of our services and achieve benchmark levels of staff efficiency.</p>	<p>No cost beyond existing positions.</p>	<ul style="list-style-type: none"> ✦ # Process improvement projects. ✦ By 9/1/09, at current activity levels, total operating entity labor expenses have decreased by \$15 million per year. ✦ 100% of operating entity departments at or better than labor standards.
	<p>F.6.C: Optimize capital capacity by balancing operating income, debt/capitalization, and capital expenditures.</p>	<p>No cost beyond budgeted positions.</p>	<ul style="list-style-type: none"> ✦ Operating EBITDA will improve by 5% /year.

VI. Other Initiatives

While, by design, not all recommendations could become “high priority strategies,” much of the work initiated by these Task Forces will continue.



Based upon its situation analysis, the Musculoskeletal Task Force identified a vision for the future and identified four broad strategies: information systems, continuum of care, growth and financial performance, and improvement of experience for users.

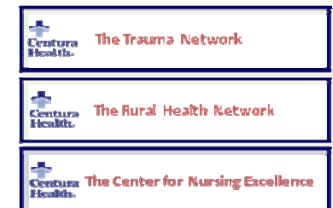
Work continues using a hospital group approach to refine these broad strategies. Immediate focus will be on those initiatives that can be undertaken with little investment and demonstrate immediate quality, service, cost savings, or revenue potential.



The Oncology Taskforce selected three major areas of focus, identified below:

- System Integration, Delivery Model, and Networking.
- Providers and Emerging Technology.
- Marketing and Differentiation.

Work continues using a hospital group approach. To date, four major strategies have emerged, most focused on differentiating the organization by creating a seamless delivery model across the system and hospital groups.





The Nursing Task Force developed a vision for the future of Centura Health nursing and has begun developing strategies through the Nursing Council to drive that vision around transformational leadership, structural empowerment, exemplary professional practice, new knowledge, innovations, and improvements.



The Health Management Task recommended that Centura Health become the pre-eminent health and wellness resource in Colorado that empowers people of all ages, in all stages of life, with tools and resources to optimize their own well-being. As part of this process, the Steering Committee recognized the integral relationship between the Primary Care Strategy and the Health Management initiatives. Some of the Health Management initiatives have been incorporated into the High Priority Strategy related to Primary Care.

Parts of the Task Force's recommendations related to Centura's own Occupational Medicine/EAP and Employee Health programs. The Occupational Medicine/EAP initiatives have been referred to the Growth Council. Employee Health has been referred to the HR Council for further refinement.



This Task Force recognized that it would provide the greatest value to Centura by supporting the High Priority Strategies, providing expertise to those responsible for refining the Strategies and developing the implementation plans. This Task Force believes that there are major opportunities to enhance payor relationships on a system wide basis around the high priority initiatives.

VII. Key Success Factors

Key Success Factors:

Several common themes were woven through the Task Forces' recommendations related to successfully implementing High Priority Strategies. Common *Success Factors* included:

- ✦ **Strong, visible Corporate support/leadership and a long-term commitment to the Strategy;**
- ✦ **Active engagement of physician leaders as our partners moving forward.**
Desired attributes: collegiality among physicians and with Centura; commitment to our Mission, Values and Centura 2020; we focus on meeting physicians' needs not just our own.
- ✦ **System-wide Information Technology (IT) including an Electronic Medical Record and effective communications systems;**
- ✦ **Incentives for and celebration of successes from inter-facility collaboration and cooperation;**
- ✦ **Adequate resources are allocated to implement High Priority Strategies;**
- ✦ **An effective performance tracking/monitoring process is in place and expectations are built into Leaders' performance evaluations.**



The Table on the next page summarizes the common key themes identified by each Task Force. Additional Success Factors can be found in Individual Task Force recommendations at www.myvirtualworkplace.org.

Key Success Factors

Commonly Identified Key Success Factors	TR: Trauma Strategy	N: Neurosciences Strategy	CV: Cardiovascular Strategy	RH: Rural Health Strategy	Pc: Primary Care Strategy	F.1 Strengthen Operating Performance	F.2: Culture Engineering: Agile Consistency	F.3: Culture Engineering: Disciplined Entrepreneurship	F.4: Culture Engineering Partnerships	F.5: Culture Engineering: Realizing Full Potential	F.6: Electronic Health Record.
Corporate Support/Long Term Commitment	✓	✓	✓	✓	✓	✓	✓		✓		
Physician Leadership/Commitment to Strategy/ Collegiality, Engagement	✓	✓	✓	✓	✓	✓					✓
IT Support including EMR/System-wide technology and communications/Specialty specific IT needs	✓	✓	✓	✓	✓						✓
Incentives for Individual Facilities to Collaborate/Rewards for Inter-hospital programs/ Willingness to Share Best Practices & Work Together	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adequate Resources Allocated	✓	✓		✓	✓	✓					✓
Tracking Mechanism to Monitor Results/	✓	✓	✓								

VIII. Next Steps

As a dynamic, living plan, there are many next steps involved. Immediately upon the approval of the plan by the Centura Health governing board, we will shift from “strategy planning” mode to “strategy execution and adjustment” mode. Several of our planning task forces will morph into councils charged with coordinating our transformation. Once determined, we will detail here the mechanisms we establish to manage the successful execution of this plan.



Appendix A: Financial Impact Assessment

Consolidated

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	4,310,000	210,000	270,000	150,000
Depreciation	862,000	904,000	958,000	988,000
Subtotal - FTEs	11.50	13.00	16.50	17.50
Total Salaries & Benefits	1,387,312	1,583,605	1,998,414	2,167,321
Total Other	4,653,240	5,803,440	6,649,640	7,440,240
Return				
Total Incremental Net Revenue (non volume)	800,000	800,000	800,000	800,000
Total Incremental Cost Savings (non volume)	500,000	500,000	500,000	500,000
New Inpatient Volume	880	2,280	3,470	4,928
New Outpatient Volume	1,872	5,607	10,142	15,977
Incremental Margin on new volume	4,751,614	10,651,321	15,615,147	21,300,903
Summary				
Incremental Cash Flows from new initiatives	6,051,614	11,951,321	16,915,147	22,600,903
Total Investment (Deprec of capital + inc fixed op exp)	6,902,552	8,291,045	9,606,054	10,595,561
Annual Cash Flow	(850,938)	3,660,276	7,309,094	12,005,341
4 Year Investment	35,395,212			
4 Year Return	57,518,985			
Undiscounted 4 Year Return on Investment	63%			

Primary Care

Promote and develop sustainable patient-centered integrated systems of care with Primary Care Physicians

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	1,210,000	150,000	150,000	150,000
Depreciation	242,000	272,000	302,000	332,000
Subtotal - FTEs	4.50	5.50	6.50	7.50
Total Salaries & Benefits	589,070	709,442	836,507	970,557
Total Other	2,843,200	3,703,400	4,514,600	5,325,800
Return				
Total Incremental Net Revenue (non volume)	-	-	-	-
Total Incremental Cost Savings (non volume)	-	-	-	-
New Inpatient Volume	264	789	1,414	2,199
Contribution Margin / Case	2,800	2,800	2,800	2,800
New Outpatient Volume	1,872	5,607	10,142	15,977
Contribution Margin / Case	270	270	270	270
Incremental Margin on new volume	1,244,640	3,723,090	6,697,540	10,470,990
Summary				
Incremental Cash Flows from new initiatives	1,244,640	3,723,090	6,697,540	10,470,990
Total Investment (Deprec of capital + inc fixed op exp)	3,674,270	4,684,842	5,653,107	6,628,357
Annual Cash Flow	(2,429,630)	(961,752)	1,044,433	3,842,633
4 Year Investment	\$ 20,640,576			
4 Year Return	\$ 22,136,260			
Undiscounted 4 Year Return on Investment		7%		

Rural Health

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	-	60,000	120,000	-
Depreciation	-	12,000	36,000	36,000
Subtotal - FTEs	2.00	2.50	5.00	5.00
Total Salaries & Benefits	281,027	341,431	613,193	631,589
Total Other	85,000	425,000	560,000	589,400
Return				
Total Incremental Net Revenue (non volume)	-	-	-	-
Total Incremental Cost Savings (non volume)	-	-	-	-
New Inpatient Volume	105	660	905	1,258
Contribution Margin / Case	3,710	3,202	2,661	2,086
New Outpatient Volume	-	-	-	-
Contribution Margin / Case	-	-	-	-
Incrementation Margin on new volume	389,550	2,114,484	2,407,536	2,623,516
Summary				
Incremental Cash Flows from new initiatives	389,550	2,114,484	2,407,536	2,623,516
Total Investment (Deprec of capital + inc fixed op exp)	366,027	778,431	1,209,194	1,256,990
Annual Cash Flow	23,523	1,336,052	1,198,342	1,366,527
4 Year Investment	\$ 3,610,642			
4 Year Return	\$ 7,535,085			
Undiscounted 4 Year Return on Investment		109%		

Trauma

TR.1 - Create a highly visible Trauma System that optimizes the following key elements: System coordination of care, including injury prevention, research and community wellness/education; patient clinical outcomes, operational efficiency, individual facility success and system market share & financial performance.

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	100,000	-	-	-
Depreciation	20,000	20,000	20,000	20,000
Subtotal - FTEs	2.00	2.00	2.00	2.00
Total Salaries & Benefits	233,378	240,379	247,590	255,018
Total Other	560,000	260,000	260,000	260,000
Return				
Total Incremental Net Revenue (non volume)	800,000	800,000	800,000	800,000
Total Incremental Cost Savings (non volume)	-	-	-	-
a) New Inpatient Volume (Leakage) (c)	100	125	150	175
Contribution Margin / Case	4,677	4,677	4,677	4,677
New Outpatient Volume	-	-	-	-
Contribution Margin / Case	-	-	-	-
Incrementation Margin on new volume	467,653	584,566	701,479	818,392
Summary				
Incremental Cash Flows from new initiatives	1,267,653	1,384,566	1,501,479	1,618,392
Total Investment (Deprec of capital + inc fixed op exp)	813,378	520,379	527,590	535,018
Annual Cash Flow	454,275	864,187	973,889	1,083,374
4 Year Investment	\$ 2,396,364			
4 Year Return	\$ 5,772,089			
Undiscounted 4 Year Return on Investment		141%		

Cardiovascular

Create "Centura Heart", align with physicians and achieve superior clinical results recognized by payers

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	3,000,000	-	-	-
Depreciation	600,000	600,000	600,000	600,000
Subtotal - FTEs	3.00	3.00	3.00	3.00
Total Salaries & Benefits	283,838	292,353	301,123	310,157
Total Other	1,090,040	1,090,040	1,090,040	1,090,040
Return				
Total Incremental Net Revenue (non volume)	-	-	-	-
Total Incremental Cost Savings (non volume)	500,000	500,000	500,000	500,000
IP - 1% of Centura cardiac market	251	502	753	1,004
Contribution Margin / Case	3,883	3,883	3,883	3,883
New Outpatient Volume	-	-	-	-
Contribution Margin / Case	-	-	-	-
Incrementation Margin on new volume	974,633	1,949,266	2,923,899	3,898,532
Summary				
Incremental Cash Flows from new initiatives	1,474,633	2,449,266	3,423,899	4,398,532
Total Investment (Deprec of capital + inc fixed op exp)	1,973,878	1,982,393	1,991,163	2,000,197
Annual Cash Flow	(499,245)	466,873	1,432,736	2,398,335
4 Year Investment	\$ 7,947,630			
4 Year Return	\$ 11,746,330			
Undiscounted 4 Year Return on Investment		48%		

Neurosciences

SC1. Spine Centers of Excellence

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	-	-	-	-
Depreciation	-	-	-	-
Subtotal - FTEs	-	-	-	-
Total Salaries & Benefits	-	-	-	-
Total Other	-	250,000	150,000	100,000
Return				
Total Incremental Net Revenue (non volume)	-	-	-	-
Total Incremental Cost Savings (non volume)	-	-	-	-
New Inpatient Volume - 1% increase per year (3700 current cases)	37	74	111	148
Contribution Margin / Case	13,361	13,361	13,361	13,361
New Outpatient Volume	-	-	-	-
Contribution Margin / Case	-	-	-	-
Incrementation Margin on new volume	494,357	988,714	1,483,071	1,977,428
Summary				
Incremental Cash Flows from new initiatives	494,357	988,714	1,483,071	1,977,428
Total Investment (Deprec of capital + inc fixed op exp)	-	250,000	150,000	100,000
Annual Cash Flow	494,357	738,714	1,333,071	1,877,428
4 Year Investment	\$ 500,000			
4 Year Return	\$ 4,943,570			
Undiscounted 4 Year Return on Investment	889%			

Neurosciences

SN2. Stroke & Neurovascular Network of Care

Summary of Current Assumptions

	Yr 1	Yr 2	Yr 3	Yr 4
Investment				
Total Capital Investment	-	-	-	-
Depreciation	-	-	-	-
Subtotal - FTEs	-	-	-	-
Total Salaries & Benefits	-	-	-	-
Total Other	75,000	75,000	75,000	75,000
Return				
Total Incremental Net Revenue (non volume)	-	-	-	-
Total Incremental Cost Savings (non volume)	-	-	-	-
a) New Inpatient Volume	123	130	137	144
Contribution Margin / Case	9,600	9,932	10,231	10,500
New Outpatient Volume	-	-	-	-
Contribution Margin / Case	-	-	-	-
Incrementation Margin on new volume	1,180,781	1,291,202	1,401,623	1,512,044
Summary				
Incremental Cash Flows from new initiatives	1,180,781	1,291,202	1,401,623	1,512,044
Total Investment (Deprec of capital + inc fixed op exp)	75,000	75,000	75,000	75,000
Annual Cash Flow	1,105,781	1,216,202	1,326,623	1,437,044
4 Year Investment	\$ 300,000			
4 Year Return	\$ 5,385,650			
Undiscounted 4 Year Return on Investment	1695%			