



Samaritan Health Services

Assessment and Recommendations

Consultant Report

April 28, 2025

Warbird History

Warbird provides services to a wide variety of organizations, hospitals, physician clinics, health systems, government regulatory agencies and Fortune 500 companies. Warbird assists clients by utilizing experienced practitioners that are not professional consultants. Warbird delivers improved financial performance through innovative and value-driven solutions on every engagement.

- **Management-led Buyout.** Warbird's partnership was formed by management to acquire Huron Consulting Group, Inc.'s Accounting Advisory Practice, which was completed on December 30, 2011
 - Original company was Callaway Partners, LLC, which was formed in 2003. Callaway was highly successful and acquired by Huron in 2007
- **Senior-level Talent and Access to Scale.** Specializes in assisting clients with event-driven engagements requiring scaled project teams with senior-level project management expertise and oversight
 - **Large Complex Projects.** Unparalleled experience supporting large complex projects (from one consultant to hundreds), including HealthSouth, Fannie Mae, Lehman, GM, and ~50 financial institutions receiverships
 - **Industry-Specific Expert Teams.** Warbird's project teams are built with resources from each of our client's industry
- Warbird's Practice areas include:
 - **Healthcare Services** – Includes servicing hospitals, physician practices and other healthcare providers
 - **Government & Financial Services**
- Warbird's Healthcare Practice is comprised of the following services:
 - **CFO and Healthcare Financial Services**
 - **COO and Operational Services**
 - **Revenue Cycle Services**
 - **IT Services**
 - **OnDemand Interim Management and Staff**
 - **Warbird Municipal Advisors**
 - **Partnerships, Mergers and Acquisitions Services**

The Warbird Difference



Not-For-Profit Community Healthcare Experience. Warbird works almost exclusively with not-for-profit community hospitals and understands how essential these organizations are to their local communities and economy.



Experienced Team. Warbird commits to provide clients with experienced teams of senior advisors and operators – no bait-and-switch tactics. Our teams are highly visible throughout client engagements and spend considerable time onsite.



Personal Attention. Individual clients have our team's complete attention and will find our team extremely responsive.



Competitive Pricing. Our focus on principal-level leadership and involvement means we provide considerably better value than conventional advisory firms. Clients are not paying for our team members to "learn the ropes."



Unique and Tailored Approach. Our commitment to clients is to provide independent, objective advice throughout the engagement. Our approach is highly collaborative, and we will take direction from client board leadership and management teams at every step of the process.

Warbird's Service Offerings

Warbird Consulting Partners is a uniquely qualified consulting and advisory firm of experienced practitioner consultants and advisors.

With decades of experience in healthcare finance, operations, and strategy, Warbird offers practical advice, custom solutions, and focused support that boosts financial and operational performance and positions healthcare organizations to realize their strategic value.



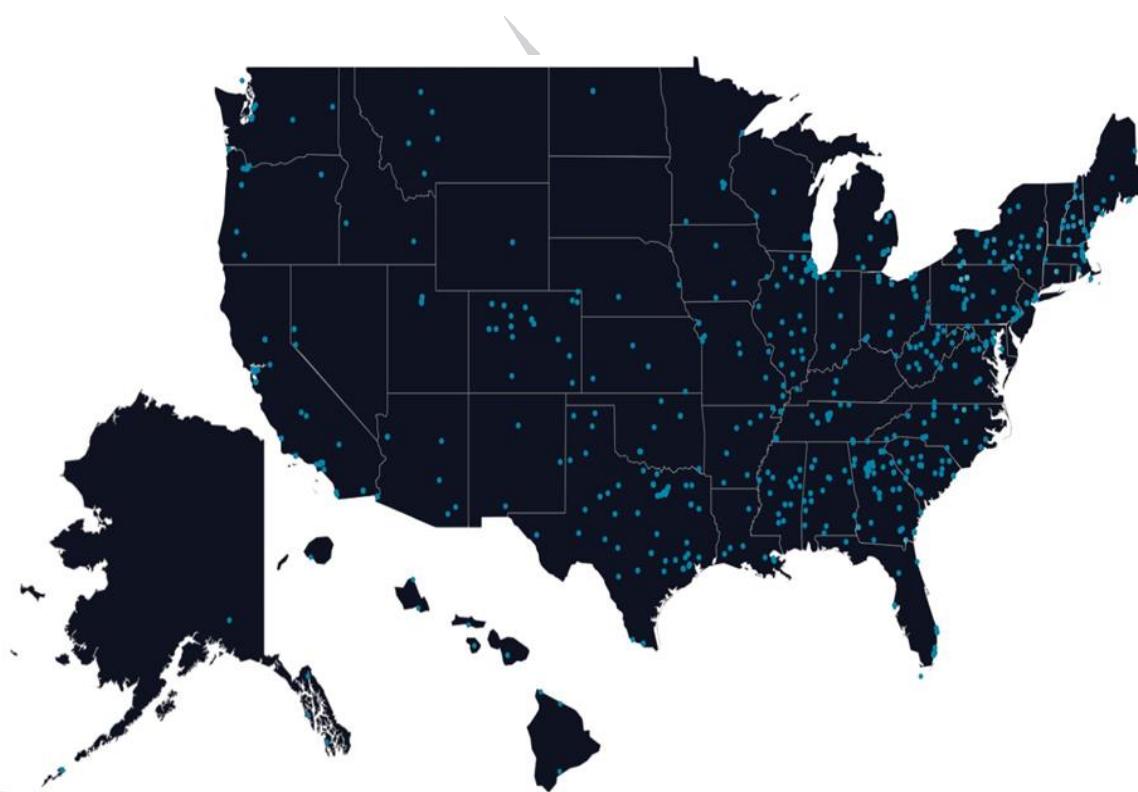
National Footprint, Local Impact

Warbird's professionals have partnered with not-for-profit and for-profit health systems and hospitals, physician organizations, and other related entities to assist them in realizing the strategic value of their operations.

While Warbird has provided services to the full spectrum of healthcare entities, the overwhelming majority has been to not-for-profit health systems and hospitals.

Since 2011, over **1,200 healthcare client engagements** were supported by Warbird's range of strategic advisory and operational improvement services to clients across **47 states**.

These engagements included health systems that ranged from "small to large" in size and "weak to strong" in credit quality.



Representative Prior Clients

Community Hospitals



Academic Hospitals



Public Hospitals



THE OHIO STATE UNIVERSITY
WEXNER MEDICAL CENTER



Safety Net Hospitals



Warbird Municipal Advisors Hospitals



Executive Summary

- ▶ Warbird Consulting Partners (Warbird) was engaged by Samaritan Health Services (Samaritan) to produce a consultant report to include recommendations for improvement that would serve as a remedy for Samaritan's breach of its debt service coverage in its bond documents for FY 2024.
- ▶ Equally as important, Samaritan would like to implement financial improvement opportunities identified by Warbird and itself to improve its long-term financial margins and liquidity.
- ▶ Warbird has completed a thorough review of Samaritan's operations from organizational, financial, and operations perspectives and believes there are opportunities to accomplish these goals.
- ▶ These opportunities include areas such as corporate organization, physician arrangements, health plan organization, revenue cycle and managed care changes, and others.
- ▶ These opportunities should help operations immediately and liquidity more gradually.
- ▶ The annual margin improvement is expected to be \$76 million or slightly more, based on Samaritan's performance improvement plan, which has essentially already been implemented. Samaritan needs to achieve about half of that amount to meet its debt service coverage ratio. Achieving that level should be very attainable. The upside is approximately \$85 million. Given the large excess over the minimum amount of improvement needed to meet the covenant, Samaritan can manage a relatively large, unexpected, industry-wide adverse development.
- ▶ Warbird also believes that Samaritan should maintain open dialogue with other health care systems and related entities to discuss affiliations, collaborations, and other activities.
- ▶ With that said, Warbird believes that Samaritan does not need to affiliate with another party for long-term survival as the performance improvement initiatives should continue into the future.
- ▶ Warbird can assist Samaritan with the implementation of these performance improvement recommendations, if requested.

Recommendations

- ▶ Aggressively pursue all avenues related to Samaritan's performance improvement plan.
 - ❖ The key elements of the Phase 1 labor cost savings are:
 - Senior leadership compensation reduction
 - Consolidation and restructure of leadership roles
 - Decrease in agency and locums usage
 - Deferred planned wage adjustments
 - Increase PTO usage
 - Elimination of positions and programs
 - ❖ The key elements of the Phase 1 non-labor cost savings are:
 - Decreased consulting expense
 - Decreased education, travel, and catering
 - Restructuring of employee wellness benefits
 - Reduced supply expense
 - Elimination of unnecessary purchased services
 - Decreased capital expenditures
 - Elimination of cell phone stipends for exempt staff

Phase 1 Summary

Phase 1				
Division / Tactic	Labor Savings	Non-Labor Savings	System Improvement Initiatives	Total
Pharmacy	\$537,197	\$2,706,314	\$-	\$3,243,511
Revenue Cycle	\$1,173,192	\$98,606	\$1,184,688	\$2,456,486
Supply Chain	\$95,766	\$97,661	\$3,000,000	\$3,193,427
Hospital Operations	\$11,568,733	\$1,585,910	\$2,043,011	\$15,197,654
Medical Group Operations	\$10,584,220	\$1,443,303	\$-	\$12,027,523
Corporate Shared Services	\$5,977,978	\$1,341,696	\$674,661	\$7,994,335
Health Plans Operations	\$1,459,889	\$6,744,557	\$390,432	\$8,594,878
Employee & Recruitment Program Changes	\$-	\$-	\$1,990,839	\$1,990,839
	\$31,396,975	\$14,018,047	\$9,283,631	\$54,698,653

Recommendations, Continued

- ❖ Phase 2 of the performance improvement plan is heavily focused on labor reductions, and its key elements include:
 - FTEs: 103.6
 - Leadership 31%
 - Staff 69%
 - Not backfilling FTEs: 21.4
 - Delayed Hiring: 8.0
 - Reduction of existing employees: 74.2
- ❖ Budgeted Projects of the performance improvement plan include:
 - Pharmacy Improvement Initiatives:
 - Optimized drug pricing and 340B savings
 - Increased automation of workflows
 - Specialty pharmacy growth
 - Hospital Operations Initiatives:
 - Length of Stay Improvement
 - Expansion of Swing Beds
 - Growth in cardiac cath lab procedures
 - Medical Group Initiatives:
 - Increased access and throughput through centralized capacity management in primary care

Phase 2 Summary

Division / Tactic	Phase 2		Project ROI	Total
	Labor Savings	Non-Labor Savings		
Pharmacy	\$-	\$-	\$4,085,848	\$4,085,848
Revenue Cycle	\$704,192	\$100,000	\$-	\$804,192
Supply Chain	\$182,264	\$-	\$-	\$182,264
Hospital Operations	\$5,123,319	\$455,157	\$1,931,500	\$7,509,976
Medical Group Operations	\$2,133,961	\$307,087	\$1,824,000	\$4,265,048
Corporate Shared Services	\$2,390,357	\$1,091,661	\$-	\$3,482,018
Health Plans Operations	\$255,345	\$941,000	\$-	\$1,196,345
Employee & Recruitment Program Changes	\$-	\$-	\$-	\$-
	\$10,789,438	\$2,894,905	\$7,841,348	\$21,525,691

Combined Summary: Phases 1 & 2

Division / Tactic	Phase 1 Total	Phase 2 Total	Project ROI	Total
Pharmacy	\$3,243,511	\$-	\$4,085,848	\$7,329,359
Revenue Cycle	\$2,456,486	\$804,192	\$-	\$3,260,678
Supply Chain	\$3,193,427	\$182,264	\$-	\$3,375,691
Hospital Operations	\$15,197,654	\$5,578,476	\$1,931,500	\$22,707,630
Medical Group Operations	\$12,027,523	\$2,441,048	\$1,824,000	\$16,292,571
Corporate Shared Services	\$7,994,335	\$3,482,018	\$-	\$11,476,353
Health Plans Operations	\$8,594,878	\$1,196,345	\$-	\$9,791,223
Employee & Recruitment Program Changes	\$1,990,839	\$-	\$-	\$1,990,839
	\$54,698,653	\$13,684,343	\$7,841,348	\$76,224,344

Recommendations, Continued

- ▶ Corporate Organization
 - ❖ Explore affiliation opportunities with other health systems (similar to the announced acquisition of Santiam Hospital (Santiam))
 - ❖ Continue evaluating the feasibility of redesigning the service line distribution model for select specialties, including obstetrics, general surgery, orthopedics, and urology.
- ▶ Physician Activities
 - ❖ Explore opportunities to maximize profitability of Samaritan Medical Group (SMG)
 - ❑ Restructure remuneration of SMG physicians (incentives/medical directorships/on-call pay)
 - ❑ Increase productivity
 - ❑ Decrease overhead
 - ❑ Highlight internal specialists for referrals
 - ❖ Warbird endorses the pursuit of additional specialists to expand referral network
 - ❖ Ramping up new GI group
 - ❖ Enhance physician onboarding process to market to internal referral sources
 - ❖ Aggressively pursue service line affiliations where need is determined
 - ❖ Convert appropriate observation patients to inpatient status
 - ❖ Increase operational throughput of operating rooms
 - ❖ Consider termination of underperforming providers
 - ❖ Restructure any physicians not on an RVU model and consider performance related models for advanced practice providers.

Recommendations, Continued

- ❖ Locums coverage in 2024 increased 18%. Focus on building a deeper pool of specialists
- ❖ Look at administrative payments, stipends, and medical directorship payments to see if any opportunities arise to decrease payments
- ❖ Consider contracting with a vendor to provide a robust analytical tool to determine a physician needs assessment
- ❖ Regular sharing and discussing of physician productivity reports should be consistently held
- ❖ Address leakage of patients from within the Samaritan system due to underrepresented service lines. Pursue recruitment of necessary providers
- ❖ Address providers performing under a minimum RVU threshold and hold them accountable
- ❖ Consider moving allied professionals to more incentive based contracts
- ❖ Continue with Capacity Management initiative to alleviate provider schedules not being fully optimized (primary care, surgical, specialty, and behavioral health)
- ❖ Continue with the adoption of data dashboards and restructured decision trees for providers in clinic.

Recommendations, Continued

- ❖ Enhance and optimize the onboarding process of new providers
- ❖ Hold clinics accountable for patients referred out of the Samaritan network without valid reason
- ❖ Continue with the high priority project for internal patient transfers. Get to a “yes” when an internal call is initiated

► Health Plan Activities

- ❖ Consider alternative ownership structures with one or both health plans
- ❖ Address Medicaid product built utilizing a Medicare fee schedule instead of Medicaid
- ❖ Create synergy and collaboration between health plans and SMG providers
- ❖ Renegotiate rates to providers (net benefit to Samaritan from non-Samaritan providers)
- ❖ Control costs
- ❖ Realign health plan FTEs to better enhance functionality
- ❖ Utilize a network modeler to better understand savings opportunities
- ❖ Add an internal Actuary

Recommendations, Continued

► Human Resources

- ❖ Pursue all options to lower Oregon Sick Leave constraints
- ❖ Explore nursing staffing related to breaks and lunches to maximize productivity
- ❖ Continue to minimize contract labor and agency usage but bulking up PRN pool
- ❖ Flex staffing based on volume
- ❖ Expand collaborations with community colleges offering clinical programs
- ❖ Continue exploring ways to capture an “innovative care model”

► Managed Care and Revenue Cycle

- ❖ Continual analysis of payor contracts and strategy development of higher negotiated rates where possible
- ❖ Continue to perform strategic pricing review and cost report opportunities
- ❖ Continue to aggressively work action plan for denials and point of service collections
- ❖ Take advantage of other smaller revenue cycle opportunities
- ❖ Continue planned move of clinic coders under revenue cycle
- ❖ Engage Epic to activate “benefits engine”

Recommendations, Continued

- ❖ Consider centralizing authorizations into one department
- ❖ Delve into what is driving improper authorizations and medical necessity denials
- ❖ Train staff to better understand the Advanced Beneficiary Notices (ABN) process and utilization
- ❖ Continue the revenue cycle initiative in process to work with SMG on a reduction in denials
- ▶ Purchasing, Real Estate Management, Grants, Insurance, Expenses, Other
 - ❖ Continue with the Purchasing savings initiatives related to the following:
 - Freight
 - Linen utilization
 - Hip, knee, and shoulder implants
 - Utilization of "aggregation groups" through Vanderbilt
 - ❖ Evaluate all vacant space to maximize usage
 - ❖ Continue with plans to sell of the following properties:
 - Brandis/ Briggs
 - Cannery Mall
 - Spruce Street Corvallis

Recommendations, Continued

- ❖ Color code high dollar supplies and implants to alert staff and providers to associated costs
- ❖ Take full advantage of 340b program by educating providers on appropriate usage of pharmaceuticals offered via generic conversion, “own use”, and bio-similars
- ❖ Lease beds from a local skilled nursing facility to ensure ease of transfer out

Financial Performance – High-Level Summary

- ▶ Samaritan has total revenues of approximately \$1.8 billion.
- ▶ Through FY 22, it had historically produced small operating margins and even greater excess margins after non-operating revenues.
- ▶ In FY 23, Samaritan had a very small operating loss but a positive excess income.
- ▶ In FY 24, Samaritan's excess loss was much larger and triggered its failure to meet its debt service coverage covenant.
- ▶ Samaritan's hospitals have produced large operating margins, while SMG has always produced a large loss. In FY 24, Samaritan's Health Plans (SHP & IHP) shifted from a positive to negative margin. The combination of the above translated to the large loss and the failure to meet the debt service coverage covenant.
- ▶ Of note, there is a disconnect between SMG and SHP. This disconnect obscures the financial performance to some extent between the two.

Financial Performance - Consolidated

Exhibit 1.a.v
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	Audited	Audited	Audited	Audited	Budget
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net Patient Service Revenue	769,897	833,398	874,488	854,616	913,166
Premium Revenue	551,988	617,901	687,840	772,123	811,587
Other Revenue	<u>109,536</u>	<u>123,386</u>	<u>129,946</u>	<u>122,704</u>	<u>115,102</u>
Total Operating Revenues	1,431,421	1,574,685	1,692,274	1,749,443	1,839,855
Salaries, Wages, and Benefits	583,277	624,373	672,452	725,678	807,031
Supplies	201,844	229,684	245,775	251,960	256,720
Purchased Services	138,248	202,087	200,122	205,735	144,340
Insurance	93,804	91,346	115,097	118,368	22,397
Interest	7,442	7,196	6,929	6,754	6,446
Depreciation and Amortization	35,193	36,513	34,366	35,268	34,547
Other	<u>338,772</u>	<u>361,471</u>	<u>422,481</u>	<u>499,265</u>	<u>567,045</u>
Total Expenses	1,398,580	1,552,670	1,697,222	1,843,028	1,838,526
Operating Income/(Loss)	<u>32,841</u>	<u>22,015</u>	<u>(4,948)</u>	<u>(93,585)</u>	<u>1,329</u>
Investment Income (Loss)	13,548	(4,551)	24,411	25,880	19,518
Other	<u>2,495</u>	<u>2,956</u>	<u>(1,847)</u>	<u>(238)</u>	<u>824</u>
Total Non-Operating Revenues and Expenses	16,043	(1,595)	22,564	25,642	20,342
Excess Income/(Loss)	<u>48,884</u>	<u>20,420</u>	<u>17,616</u>	<u>(67,943)</u>	<u>21,671</u>

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Financial Ratio Analysis

- ▶ Operating Margin was slightly positive through FY 22, break-even in FY 23, and negative in FY 24.
- ▶ Debt service coverage was well above the 1.1x threshold except for FY 24 when the covenant was breached.
- ▶ Days cash on hand has trended downward over the last four years.

Profitability/Cash Flow	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating margin	2.3%	1.4%	-0.3%	-5.3%
Excess margin	4.1%	1.3%	1.0%	-3.9%
EBIDA margin	7.1%	4.1%	3.5%	1.5%
Debt				
Debt service coverage*	6.0	3.2	3.4	1.8
Debt to capitalization	27.5%	26.4%	24.6%	27.2%
Cash to debt ratio	157.9%	106.2%	195.8%	171.8%
Liquidity				
Net days in net accounts receivable	47	50	52	59
Days cash on hand (SHS) - all sources	129	106	102	81
<i>*Liquidity was artificially inflated in 2021 due to advance receipt of COVID funds</i>				

Debt Service Coverage and Liquidity Covenants

- ▶ Samaritan's current debt service coverage covenant is 1.1x.
 - ❖ Based on its audited financial statements, Samaritan's December 31, 2024 debt service coverage was less than this threshold.
 - ❖ This covenant is based on the Performance of the Samaritan Credit Group (which is the same as the Obligated Group).
- ▶ Samaritan's current liquidity covenant is 50 days cash on hand.
 - ❖ Based on its audited financial statements, Samaritan's December 31, 2024 liquidity exceeded this threshold.
 - ❖ This covenant is based on the liquidity of the consolidated entity.

Pro Forma Income Statement and Debt Service Coverage

Samaritan Health Services
Pro Forma Income Statement
FY 25
(\$000's)

	Actual <u>FY 24</u>	Base Case <u>Benefit</u>	Base Case <u>Pro Forma</u>	Low Estimate <u>Benefit</u>	Low Estimate <u>Pro Forma</u>	High Estimate <u>Benefit</u>	High Estimate <u>Pro Forma</u>
Total Operating Revenues	1,749,443						
Expenses	1,843,028						
EBIDA	(51,562)	76,000	24,425	42,000	(9,575)	87,000	35,425
Interest and Depreciation Expense	42,023		42,022		42,022		42,022
Operating Income	(93,585)		(17,597)		(51,597)		(6,597)
Non-Operating Income (1)	25,642		25,640		25,640		25,640
Excess Income	(67,943)		8,043		(25,957)		19,043
Cash Available for Debt Service	(25,920)		50,065		16,065		61,065
Maximum Annual Debt Service	14,608		14,608		14,608		14,608
Debt Service Coverage	-1.77		3.43		1.10		4.18
(1) Excluding unrealized gains and losses							

Summary and Next Steps

- ▶ As a remedy for the debt service coverage breach, Samaritan hired Warbird as an external consultant to analyze Samaritan's operations and other activities.
- ▶ Warbird reviewed virtually all elements of Samaritan's operations and noted that meaningful improvements can be made in several areas, and Samaritan has already begun performance improvement initiatives in many of these areas.
- ▶ Warbird also believes that Samaritan should explore affiliations with other systems, given the ongoing and increasing challenges in the healthcare industry.
- ▶ Based on the recommendations in this report (many of which were developed by Samaritan and which have already begun), Warbird estimates total annual margin improvement to be approximately \$76 million or slightly greater.
- ▶ Warbird recommends moving forward with these initiatives immediately and can offer assistance in the vast majority of the areas if requested.
- ▶ Warbird will work with management and the Master Trustee, if requested, to help remedy the covenant violations.
- ▶ Warbird will respond to the Master Trustee/bondholders, as requested, with respect to this report.

Appendix

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Covenant Requirement Details

Covenant Requirement Background

- ▶ Based on audited financial statements, Samaritan's debt service coverage ratio for FY 24 was beneath the level required in its bond documents. As such, Samaritan did not meet the covenant.
- ▶ To remedy this, Samaritan is required to hire an external consultant to provide recommendations to improve its financial performance. Samaritan hired Warbird for this purpose.
- ▶ Samaritan met its liquidity covenant at December 31, 2024.
- ▶ Warbird's process involved a detailed review of numerous documents, discussions with numerous members of management, and the creation of a comprehensive report with findings, numerical estimates of improvements, and recommendations.
- ▶ The scope of this project is broad as Warbird examined, at least at a high level, virtually all elements of Samaritan's operations.
- ▶ The completion and submission to the Master Trustee of Warbird's consulting report is expected to remedy Samaritan's failure to meet the debt service coverage ratio covenant.
- ▶ Additionally, Samaritan expects that it can use the recommendations in Warbird's report to improve its financial performance.

Covenant Requirements – Quantitative

- ▶ For 2024, Samaritan's debt service coverage ratio was (1.8)x. The bond documents require a debt service coverage level of 1.1x, less than which a consultant must be hired.
- ▶ At December 31, 2024, Samaritan's days cash on hand was 81 days. The bond documents require a days cash on hand of 50 days.

Covenant Compliance for 2025

- ▶ Based on the performance improvement initiatives identified in this report, Warbird believes that Samaritan will meet its debt service coverage covenant for 2025.
- ▶ Debt service coverage is projected to be 3.43x in 2025, based on performance improvement initiatives of \$76 million. Performance improvement needs to be \$42 million to meet the minimum debt service coverage of 1.1x.
- ▶ If performance improvement totals \$87 million, debt service coverage would be 4.18x.

Qualitative Credit Analysis

Credit Analysis Summary

- ▶ Samaritan's credit profile was challenged in FY 24 due to large losses with both SMG and SHP, after years of profitability. The downturn in profitability in FY 24 led to Samaritan's failure to meet its Debt Service Coverage Ratio covenant.
- ▶ Its basic strengths are its management team, strong market position, prioritization of quality of care, diversity of services, and its opportunities for improvement.
- ▶ Its challenges are operating SHP profitably and its ability to control the losses of SMG. Samaritan's relatively large union presence creates another challenge as a good portion of its expenses are tied to the unions.
- ▶ Future years should benefit from a significant performance improvement plan that Samaritan has already put in place. This plan should drive at least \$76 million of operating income improvement.
- ▶ Additionally, Samaritan has had dialogue with other health systems with respect to exploring various forms of affiliation. One recent transaction that has been announced is the acquisition of Santiam, which should slightly increase system profitability.
- ▶ Warbird believes that Samaritan should improve substantially in FY 25 due to the implementation of the performance improvement plan. Even though virtually all of this improvement plan has been implemented, Samaritan needs to achieve only about half of the improvements in this performance plan to meet its debt service coverage requirement.

Background Information, Board, and Management

- ▶ Samaritan is a not-for-profit corporation headquartered in Corvallis, Oregon, approximately 90 miles south of Portland.
- ▶ It is comprised of five hospitals, one large medical group, two small health plans, and other related entities.
- ▶ It is governed by a 15-member Board of Directors.
- ▶ The five hospitals are Good Samaritan Regional Medical Center, Samaritan Albany General Hospital, Samaritan Lebanon Community Hospital, Samaritan North Lincoln Hospital, and Samaritan Pacific Communities Hospital. The medical group is Samaritan Medical Group, and the two health plans are InterCommunity Health Plans and Samaritan Health Plans.
- ▶ The system provides healthcare services primarily to individuals who reside in the Willamette Valley area of Oregon (Benton, Linn, and Lincoln Counties).
- ▶ Samaritan is managed by a very well-seasoned team. This team benefits from having both long-tenured individuals with significant institutional knowledge and a smaller number of shorter-tenured individuals with experience in other settings.
- ▶ Of note, the CEO has announced his resignation to occur in FY 25. Samaritan expects to replace him with a current member of the executive management team. Warbird does not believe this change will adversely affect Samaritan as its performance improvement plan and the inherent features of this system are independent of this person.

Samaritan is managing a significant union presence as approximately 30% of its employees are unionized. Warbird understands that a portion of the providers are considering unionization. Current key contract details can be seen in the chart below:

Samaritan Health Services Labor Relations Timeline 2025-2027	
2025	
<u>CONTRACT</u>	<u>EXPIRES</u>
SNLH SEIU	3/31/25
GSRMC IUOE ENG	6/30/25
GSRMC ONA	6/30/25
SLCH ONA	6/30/25
2026	
<u>CONTRACT</u>	<u>EXPIRES</u>
SPCH SEIU	2/28/26
GSRMC VIP	3/31/26
GSRMC SEIU Tech	9/30/26
GSRMC SEIU Service	9/30/26
SAGH SEIU	9/30/26
2027	
<u>CONTRACT</u>	<u>EXPIRES</u>
SAGH ONA	6/30/27
SPCH ONA	6/30/27
GSRMC IUOE Hskp	10/31/27

Service Area and Demographics

- ▶ Samaritan operates in the Willamette Valley of Oregon, specifically Benton, Lincoln, and Linn Counties.
- ▶ The demographics of all three counties are slightly below average with respect to population growth, unemployment rate, and median household income.
- ▶ Linn County has the largest population growth, and Benton County has the lowest unemployment rate.
- ▶ All three counties have median household incomes less than state and national averages.
- ▶ The chart below shows various details:

Demographic Information			
Region	Population Growth (%)	Unemployment Rate (%)	Median Household Income (\$)
Benton County	0.1	3.5	76,011
Lincoln County	0.9	4.3	61,314
Linn County	1.1	4.6	73,396
Oregon	0.5	4.1	80,426
United States	0.4	4	80,610

Competition

- ▶ Samaritan has very limited competition, as the nearest meaningful hospital competitors are at least 25 miles away.
- ▶ Additionally, Samaritan's service area contains very few unaffiliated urgent care clinics.
- ▶ There are several unaffiliated physician groups in the service area, and they are shrinking in size.
- ▶ The competing health systems are:
 - ❖ Adventist Health
 - ❖ Willamette Valley Medical Center
 - ❖ Salem Health
 - ❖ Santiam Hospital (which is expected to become part of Samaritan in the near future)
 - ❖ PeaceHealth

Market Share

- ▶ Samaritan is the dominant provider in the region, as the second largest competitor has only a 7.2% market share.
 - ❖ Obstetrics, neonatology, and general medicine are the three service lines with the largest market share.

System/Hospital	Market Share	Previous 4 Qtrs	Change (%)
Samaritan System	70.0%	71.5%	-1.5%
GSRMC	40.0%	40.3%	-0.3%
SAGH	12.2%	13.3%	-1.1%
SLCH	8.1%	7.5%	0.6%
SNLH	3.9%	4.0%	-0.1%
SPCH	5.8%	6.3%	-0.5%

Service Line	Market Share
Obstetrics	77.9%
Neonatology	76.8%
General Medicine	73.7%
Cardiac Services	70.6%
Vascular Services	68.8%
Orthopedics	67.2%
Thoracic Surgery	66.7%
Urology	63.4%
General Surgery	63.2%
Neurology	59.5%
Spine	59.2%

Competitor	Market Share
Salem	7.2%
PeaceHealth	7.0%
OHSU	5.0%
Non-Affiliated	2.5%
Kaiser	3.5%

- ▶ Samaritan enjoys a dominant 70% market share over the last four quarters for the service catchment area consisting of Benton, Lincoln, and Linn counties. However, system-wide market share decreased over this timeframe by 1.5% versus the prior four quarters with the following breakdown by facility:
 - ❖ GSRMC -0.3%
 - ❖ SAGH -1.1%
 - ❖ SLCH +0.6%
 - ❖ SNLH -0.1%
 - ❖ SPCH -0.5%
- ▶ Samaritan has multiple working plans in progress to alleviate this market share decline.
 - ❖ Capacity improvement
 - ❖ Stepdown program
 - ❖ Emergency department constraints
- ▶ Warbird highly recommends continuing these plans to stem this small loss of market share.

Providers – Basic Structure

- ▶ The Samaritan medical staff is well rounded with a broad range of specialties. The total staff consists of 1,051 providers including advanced practice providers.
- ▶ Samaritan's primary contractual arrangement with employed providers is via employment with SMG.
- ▶ Samaritan deploys the Nuance DAX or Abridge AI scribe for many providers which improves clinical efficiency, accuracy, and physician satisfaction.
- ▶ Samaritan specialties represent the typical medical specialties for the size of its health system. However, recruitment is needed to fill provider gaps, and a deeper pool of specialists is warranted. The onboarding process has an opportunity to be enhanced to ensure new provider success.
- ▶ Several provider needs were identified based on meetings with management:
 - ❖ Orthopedics
 - ❖ Primary Care
 - ❖ General Surgery
 - ❖ Neurology
 - ❖ Interventional Radiology

Strategic Partnerships

- Samaritan partners with several systems to augment its service offerings:
 - ❖ Providence for tele-stroke, tele-neurology, and for a Gynecology/Oncology service line
 - ❖ Stanford Health for cardiothoracic surgeons
 - ❖ Oregon Oncology Specialists for Hematology/Oncology
 - ❖ Oregon State University (OSU), Samaritan provides the following services on the OSU campus
 - ❑ Samaritan retail pharmacy
 - ❑ Athletic Medicine Center, including sports medicine, orthopedic surgery and PT
 - ❑ Comprehensive provider of OSU athletics from non-operative sports medicine and PT, to orthopedic surgery. Additionally, an SMG sports medicine physician serves as associate athletic director for OSU.
 - ❑ Samaritan provides a primary care clinic and express care clinic.

Providers - Master Roster

- ▶ The total number of providers on medical staff across all facilities is 1,051, with the majority being employed (653), followed by independent and contracted (398).
- ▶ Across the system, 65 specialties are represented.
- ▶ As expected, the largest number of providers is associated with GSRMC, making up nearly 50% of the total.
- ▶ The smallest number of providers is associated with SNLH.

SMG Provider Growth by Specialty

- ▶ SMG has had substantial growth since 2015 as providers have increased to 653 from 199.
- ▶ Family medicine is the largest specialty and has had the most growth.

Count of ID	Total
MGMA	28
Anesthesiology	25
Cardiology	3
Cardiothoracic Surgery	27
Certified Registered Nurse Anesthetist	56
Emergency Medicine	4
Endocrinology	91
Family Medicine	4
Gastroenterology	35
General Surgery	4
Geriatrics	13
Hospice/Palliative Care	70
Hospitalist	4
Hyperbaric Medicine/Wound Care	3
Infectious Disease	27
Internal Medicine	5
Licensed Clinical Social Worker	5
N/A	5
Nephrology	3
Neuropsychology	5
Neurosurgery	32
Obstetrics/Gynecology	3
Occupational Medicine	24
Orthopedic Surgery	36
Pediatrics	4
Podiatry	27
Psychiatry	13
Psychology	11
Pulmonology/Critical Care	4
Radiation Oncology	3
Rheumatology	7
Sports Medicine	5
Trauma Surgery	55
Urgent Care	12
Urology	653
Grand Total	000060

Health Plan Operations – Basic Structure

- ▶ Samaritan operates SHP, which includes Samaritan Advantage, a Medicare Advantage plan, and very small commercial and D-SNP plans. SHP has about 13,000 members.
- ▶ Samaritan operates IHP, which includes Intercommunity Health Network Coordinated Care Organization (IHN-CCO), a Medicaid plan has approximately 85,000 members.
- ▶ Membership at Intercommunity Health Plan has been stable, while Samaritan Health Plan has seen a recent meaningful increase in membership (in large part due to the lack of contract with United Healthcare). This has resulted in a downturn in performance as claims have risen as well and have outpaced revenue growth.
- ▶ Health plan revenues are approximately \$700 million, with about 80% coming from IHN-CCO, 17% from Samaritan Medicare Advantage, and the balance from the other two lines of business within SHP.
- ▶ Samaritan's original plan to own health plans was very wise, as it gave the system the full range of healthcare entities. However, as time has gone on, the industry has become more challenging, and the recent increase in membership and associated claims cost at Samaritan Health Plan resulted in large losses at SHP in FY 24.
- ▶ As such, management is actively seeking synergistic opportunities related to Samaritan Health Plan (and possibly Intercommunity Health Plan). Warbird fully supports this exploration as it could result in stemming of current losses.

Samaritan Health Plans – Financial Performance

	2024	2023	2022	2021
Net premium revenue	162,218,609	93,415,703	79,662,127	81,396,614
Program management income	0	0	1,610,541	3,329,914
Total revenue	162,218,609	93,415,703	81,272,668	84,726,528
Medical and hospital expenses:				
Hospital and medical benefits	107,826,715	56,159,146	51,501,634	45,512,721
Other professional services	40,572,559	24,520,781	20,957,334	21,190,125
Outside referrals	1,555,642	582,883	61,324	103,535
Emergency room and out of area	2,954,043	1,819,557	2,182,888	1,866,865
Prescription drugs	16,324,245	9,802,263	6,418,298	6,523,676
Incentive pool, withhold adjustments and bonus amounts	(3,417,987)	(400,524)	887,917	944,091
Total medical and hospital expenses before reinsurance	164,185,455	92,484,106	82,009,395	76,142,833
Reinsurance recoveries	(1,629,762)	(200,080)	(868,393)	(2,735,462)
Total medical and hospital expenses	164,185,455	92,284,026	81,141,002	73,407,371
Claims adjustment expense	6,322,593	3,649,355	4,590,029	4,455,630
General and administrative expenses	14,372,389	7,758,819	6,694,216	7,369,358
Other				
Total underwriting deductions	184,880,437	103,692,200	92,425,247	85,232,359
Net underwriting loss	(22,661,828)	(10,276,497)	(11,152,579)	(505,831)
Net investment income	971,054	526,982	246,902	265,129
Net realized gains (losses)	960,853	47,035	47,640	(23,498)
Total investment income	1,931,907	574,017	294,542	241,631
Net loss before income taxes	(20,729,921)	(9,702,480)	(10,858,037)	(264,200)
Income tax benefit	13,902	1,652	2,271,677	76,956
Other				
Net loss	(20,716,019)	(9,700,828)	(8,586,360)	(187,244)

Intercommunity Health Plan – Financial Performance

	2024	2023	2022	2021
Net Premium Revenue	\$ 555,959,539	\$ 554,646,018	\$ 502,897,220	\$ 434,143,291
Medical and Hospital Expenses				
Hospital, Medical & Other Services	396,189,786	360,957,107	303,434,596	283,987,141
Outside Referrals	5,124,812	5,162,940	3,990,874	3,392,172
Emergency Room & Out of Area	20,814,399	17,668,544	17,347,109	14,924,834
Prescription Drugs	80,688,375	81,852,503	78,570,593	71,880,832
Incentive Pool, Adjustments & Bonuses	12,554,055	26,391,917	22,846,435	5,355,386
Reinsurance Recoveries	(8,450,662)	(2,866,015)	(2,515,968)	(2,055,529)
Total Medical & Hospital Expenses	506,920,765	489,166,996	423,673,639	377,484,836
Claims Adjustment Expense	12,678,942	12,711,623	20,731,285	15,866,773
General & Administrative Expenses	55,850,390	55,387,602	41,154,416	31,994,393
Total Underwriting Deductions	575,450,097	557,266,221	485,559,340	425,346,002
Other				
Net Underwriting Income	(19,490,558)	(2,620,203)	17,337,880	8,797,289
Net Investment Income	7,397,917	5,794,069	1,363,372	817,003
Total Investment Income	7,397,917	5,794,069	1,363,372	817,003
Other				
Net Income	\$ (12,092,641)	\$ 3,173,866	\$ 18,701,252	\$ 9,614,292

Utilization Statistics

	FY 22	FY 23	FY 24
Available Beds	3,600	3,600	3,600
Acute Admissions	13,930	14,029	14,151
Patient Days Acute Care	72,071	71,353	68,320
Average Length of Stay - Acute	5.17	5.09	4.80
Observation Days	3,463	3,209	7,283
Emergency Room Visits	113,374	110,970	115,845
Inpatient Surgeries	5,259	5,142	4,871
Outpatient Surgeries	16,298	16,837	17,813
Total Clinic Visits	621,838	635,970	665,150

- ▶ Admissions have increased very slightly over the last three years, while patient days have declined slightly, leading to a decrease in Average Length of Stay.
- ▶ Observation days increased significantly in FY 24.
- ▶ Emergency room visits have remained flat, while total clinic visits have increased gradually.
- ▶ Similar to most systems across the country, inpatient surgeries have trended downward, while outpatient surgeries have increased.

Payor Mix

	2019	2020	2021	2022	2023	2024
Medicare	49.8	49.3	48.5	50.5	50.8	50.3
Medicaid	18.9	19.9	20.7	20.2	20.1	20.3
Commercial/HMO	29.6	29.3	29.4	28.0	27.9	28.3
Self- Pay	1.7	1.5	1.4	1.3	1.2	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

- ▶ Medicare has been the largest payor category, increasing from 49.8% in 2019 to 50.3% in 2024.
- ▶ Medicaid percentages have remained relatively stable, fluctuating between 18.9% and 20.7% from 2019 to 2024.
- ▶ Commercial/HMO categories have shown a gradual decline, with Commercial/HMO dropping from 29.6% to 27.9% from 2019 to 2023, before increasing to 28.3% in 2024.
- ▶ Self-pay has remained small, ranging from 1.1% to 1.7%.

Managed Care Contracts/Environment

- ▶ Samaritan operates in an environment with several large managed care entities.
- ▶ The two entities with the largest charges for Samaritan are BCBS and Providence. These two are followed by Samaritan Choice Plans, Moda Health, PacificSource, Cigna, and Aetna.
- ▶ The largest eight managed care entities make up almost 99% of Samaritan's revenues from managed care entities.
- ▶ The vast majority of the contracts are based on DRGs on the inpatient side and are renewed on a one- or two-year basis.

Summary Financial Performance

- ▶ Samaritan's total operating revenues have increased from \$1.2 billion to \$1.8 billion over the last five years. Net patient service revenues represent a little over half of the total, while premium revenue represents slightly under half. Other operating revenues comprise the small remaining balance.
- ▶ Expenses have increased roughly at the same rate as revenues. This led to small operating margins through FY 22, a break-even performance in FY 23, and the large loss in FY 24. As is the case industry-wide, salaries, wages, and benefits are the largest expense, followed by supplies, and purchased services.
- ▶ Non-operating income has generally provided a small positive amount which has led to positive excess margins in all years except FY 24.

Financial Performance – Consolidated

Exhibit 1.a.v
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Samaritan Health Services

Years Ended December 31

(000's omitted)

	Audited <u>2021</u>	Audited <u>2022</u>	Audited <u>2023</u>	Audited <u>2024</u>	Budget <u>2025</u>
Net Patient Service Revenue	769,897	833,398	874,488	854,616	913,166
Premium Revenue	551,988	617,901	687,840	772,123	811,587
Other Revenue	<u>109,536</u>	<u>123,386</u>	<u>129,946</u>	<u>122,704</u>	<u>115,102</u>
Total Operating Revenues	1,431,421	1,574,685	1,692,274	1,749,443	1,839,855
Salaries, Wages, and Benefits	583,277	624,373	672,452	725,678	807,031
Supplies	201,844	229,684	245,775	251,960	256,720
Purchased Services	138,248	202,087	200,122	205,735	144,340
Insurance	93,804	91,346	115,097	118,368	22,397
Interest	7,442	7,196	6,929	6,754	6,446
Depreciation and Amortization	35,193	36,513	34,366	35,268	34,547
Other	<u>338,772</u>	<u>361,471</u>	<u>422,481</u>	<u>499,265</u>	<u>567,045</u>
Total Expenses	1,398,580	1,552,670	1,697,222	1,843,028	1,838,526
Operating Income/(Loss)	<u>32,841</u>	<u>22,015</u>	<u>(4,948)</u>	<u>(93,585)</u>	<u>1,329</u>
Investment Income (Loss)	13,548	(4,551)	24,411	25,880	19,518
Other	<u>2,495</u>	<u>2,956</u>	<u>(1,847)</u>	<u>(238)</u>	<u>824</u>
Total Non-Operating Revenues and Expenses	16,043	(1,595)	22,564	25,642	20,342
Excess Income/(Loss)	<u>48,884</u>	<u>20,420</u>	<u>17,616</u>	<u>(67,943)</u>	<u>21,671</u>
					000068

- ▶ Samaritan has announced it has entered into a definitive agreement to acquire Santiam Hospital & Clinics.
- ▶ The pro forma financial impact of this acquisition can be seen on the following page.
- ▶ Warbird supports this acquisition as it is accretive to Samaritan and provides expanded system coverage.
- ▶ This acquisition is expected to occur in Q1 of 2026.

Pro Forma Samaritan with Santiam Hospital & Clinics

Samaritan Health Services			
Combined Income Statement - Samaritan & Santiam (000)			
2025 BGT			
	Samaritan	Santiam	Total
Revenues	1,993,481	173,310	2,166,791
Deductions	1,081,836	102,234	1,184,070
Net Patient Revenue	911,645	71,076	982,721
Other Operating Income	926,632	788	927,420
Total Operating Revenue	1,838,277	71,864	1,910,141
Total Labor Expense	803,225	40,878	844,103
All Other Expenses	1,033,722	30,674	1,064,396
Total Expenses	1,836,947	71,552	1,908,499
Operating Income	1,330	312	1,642
Non Op Income (Expense)	20,342	554	20,896
Net Income	21,672	866	22,538
Operating Margin	0.1%	0.4%	0.1%
Total Margin	1.2%	1.2%	1.2%
Deductions	54.3%	59.0%	54.6%

Financial Performance - Consolidating

- ▶ A high-level review of Samaritan business lines can be seen below.
- ▶ For FY 24, the hospitals made up almost 40% of revenues and produced a nice operating margin.
- ▶ SMG (outpatient clinics) provided only 10% of system revenues and recorded a large operating loss. The revenues for lab, imaging, surgeries, etc. are captured under hospital revenue.
- ▶ SHP provided 44% of system revenues and posted a 6.1% operating loss.

Consolidating Key Financial Indicators					
FY 2024					
(\$000,000's)					
	Total	Operating		Operating	
		<u>Revenues</u>	<u>% of Total</u>	<u>Income</u>	<u>Margin</u>
Hospitals	676	38.7%	32	4.7%	
SMG	179	10.2%	(83)	-46.4%	
SHP	772	44.2%	(47)	-6.1%	
Other	120	6.9%	5	4.2%	
Total	<u>1,747</u>	<u>100.0%</u>	<u>(93)</u>	<u>-5.3%</u>	

Financial Performance - Hospitals

- ▶ A high-level review of the individual hospital performance can be seen below.
- ▶ Overall, the hospitals produce a small operating margin.
- ▶ Samaritan Lebanon Community Hospital and Samaritan Pacific Communities Hospital are very strong contributors with margins at about 10% or greater.
- ▶ Samaritan North Lincoln Hospital produces a smaller operating margin.
- ▶ Good Samaritan Regional Medical Center and Samaritan Albany General Hospital are near break-even.
- ▶ The five hospital “groups” on the following pages include the hospital, associated SMG, and other related entities.

Individual Hospital Performance			
	Operating Income	% of Total	Operating Margin
GSRMC	(3,048)	-9.4%	-0.6%
SAGH	(3,091)	-9.5%	-1.5%
SLCH	22,534	69.6%	13.9%
SNLH	3,333	10.3%	3.9%
SPCH	<u>12,642</u>	39.1%	9.8%
Total	<u>32,370</u>	100.0%	4.7%

000072

Financial Performance – Corvallis Group

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Revenues	940,777,529	1,043,691,918	1,154,642,992	1,247,166,640	1,346,716,350
Deductions	506,062,452	572,091,462	649,860,850	714,226,718	790,007,538
Net Patient Revenue	434,715,077	471,600,456	504,782,142	532,939,922	556,708,812
Other Operating Income	66,961,988	71,721,380	77,463,366	76,412,279	75,531,876
Total Operating Revenue	501,677,065	543,321,836	582,245,478	609,352,201	632,240,688
Total Labor Expense	257,057,837	285,148,465	308,955,110	334,575,902	349,791,355
All Other Expenses	250,240,010	279,037,580	291,880,846	299,899,852	287,400,924
Total Expenses	507,297,847	564,186,045	600,835,956	634,475,754	637,192,279
Operating Income	(5,620,782)	(20,864,209)	(18,590,478)	(25,123,552)	(4,951,591)
Non Operating Income (Expense)	14,415,960	(1,617,056)	1,551,859	2,871,729	810,580
Net Income	8,795,178	(22,481,265)	(17,038,619)	(22,251,823)	(4,141,011)
Operating Margin	-1.1%	-3.8%	-3.2%	-4.1%	-0.8%
Total Margin	1.8%	-4.1%	-2.9%	-3.6%	-0.7%
Deductions	53.8%	54.8%	56.3%	57.3%	58.7%

000073

Financial Performance – Lebanon Group

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Revenues	284,762,824	314,060,991	347,795,370	379,677,973	399,514,699
Deductions	142,746,290	153,957,501	175,004,883	197,972,641	212,176,002
Net Patient Revenue	142,016,534	160,103,490	172,790,487	181,705,332	187,338,697
Other Operating Income	15,793,251	16,614,673	16,013,916	15,721,492	15,787,615
Total Operating Revenue	157,809,785	176,718,163	188,804,403	197,426,824	203,126,312
Total Labor Expense	84,692,689	86,348,651	91,846,094	93,666,878	103,821,218
All Other Expenses	57,082,796	65,432,511	68,187,854	74,556,668	71,920,444
Total Expenses	141,775,485	151,781,162	160,033,948	173,017,483	175,741,662
Operating Income	16,034,300	24,937,001	28,770,455	24,409,341	27,384,650
Non Operating Income (Expense)	3,683,944	(1,594,447)	2,594,577	2,428,978	968,450
Net Income	19,718,244	23,342,554	31,365,032	26,838,320	28,353,100
Operating Margin	10.2%	14.1%	15.2%	12.4%	13.5%
Total Margin	12.5%	13.2%	16.6%	13.6%	14.0%
Deductions	50.1%	49.0%	50.3%	52.1%	53.1%

Financial Performance – Newport Group

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Revenues	250,284,008	281,063,749	287,710,244	306,309,424	326,188,060
Deductions	119,725,432	139,394,195	143,658,799	163,751,541	177,495,928
Net Patient Revenue	130,558,576	141,669,554	144,051,445	142,557,884	148,692,132
Other Operating Income	8,168,720	9,315,104	14,342,226	9,696,182	4,936,458
Total Operating Revenue	138,727,296	150,984,658	158,393,671	152,254,066	153,628,590
Total Labor Expense	61,409,742	68,278,626	68,982,067	68,873,730	71,915,199
All Other Expenses	60,403,547	65,738,248	64,554,050	68,531,582	61,438,953
Total Expenses	121,813,289	134,016,874	133,536,117	137,405,312	133,354,152
Operating Income	16,914,007	16,967,784	24,857,554	14,848,754	20,274,438
Non Operating Income (Expense)	118,209	127,590	261,353	247,968	107,524
Net Income	17,032,216	17,095,374	25,118,907	15,096,721	20,381,962
Operating Margin	12.2%	11.2%	15.7%	9.8%	13.2%
Total Margin	12.3%	11.3%	15.9%	9.9%	13.3%
Deductions	47.8%	49.6%	49.9%	53.5%	54.4%

Financial Performance – Lincoln City Group

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Revenues	132,524,090	150,446,272	163,710,777	179,129,135	183,065,575
Deductions	57,268,125	67,720,928	74,253,203	87,073,490	91,484,268
Net Patient Revenue	75,255,965	82,725,344	89,457,574	92,055,645	91,581,307
Other Operating Income	6,694,893	7,800,779	5,804,926	6,260,120	7,463,339
Total Operating Revenue	81,950,858	90,526,123	95,262,500	98,315,765	99,044,646
Total Labor Expense	42,238,761	49,122,166	50,890,553	52,285,703	54,132,618
All Other Expenses	34,951,085	38,746,148	41,417,655	44,151,651	44,214,058
Total Expenses	77,189,846	87,868,314	92,308,208	96,437,354	98,346,676
Operating Income	4,761,012	2,657,809	2,954,292	1,878,411	697,970
Non Operating Income (Expense)	58,735	122,024	165,859	300,018	109
Net Income	4,819,747	2,779,833	3,120,151	2,178,429	698,079
Operating Margin	5.8%	2.9%	3.1%	1.9%	0.7%
Total Margin	5.9%	3.1%	3.3%	2.2%	0.7%
Deductions	43.2%	45.0%	45.4%	48.6%	50.0%

Financial Performance – Albany Group

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Revenues	442,811,236	497,049,417	538,285,016	566,341,502	612,182,186
Deductions	242,926,002	276,959,719	307,034,256	333,414,740	367,667,931
Net Patient Revenue	199,885,234	220,089,698	231,250,760	232,926,762	244,514,255
Other Operating Income	18,385,640	19,488,490	25,031,064	25,163,239	25,818,728
Total Operating Revenue	218,270,874	239,578,188	256,281,824	257,617,199	270,332,983
Total Labor Expense	121,874,217	137,168,541	141,365,769	149,023,857	156,458,057
All Other Expenses	102,628,420	107,592,295	110,794,050	116,228,129	110,502,941
Total Expenses	224,502,637	244,760,836	252,159,819	265,251,986	266,960,998
Operating Income	(6,231,763)	(5,182,648)	4,122,005	(7,161,985)	3,371,985
Non Operating Income (Expense)	1,564,757	(1,561,130)	1,759,284	1,444,369	405,062
Net Income	(4,667,006)	(6,743,778)	5,881,289	(5,717,616)	3,777,047
Operating Margin	-2.9%	-2.2%	1.6%	-2.8%	1.2%
Total Margin	-2.1%	-2.8%	2.3%	-2.2%	1.4%
Deductions	54.9%	55.7%	57.0%	58.9%	60.1%

Financial Performance – Samaritan Medical Group

Exhibit 1.a.v
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	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Revenues	329,414,236	308,002,310	311,176,826	331,788,600	364,124,403
Deductions	171,482,311	138,222,486	139,163,647	167,569,350	174,480,880
Net Patient Revenue	157,931,925	169,779,824	172,013,179	164,219,250	189,643,523
Other Operating Income	7,277,036	13,884,208	12,362,993	14,901,421	14,799,084
Total Operating Revenue	165,208,961	183,664,032	184,376,172	179,120,671	204,442,607
Total Labor Expenses	183,002,848	193,389,632	203,719,569	192,258,598	211,511,547
All Other Expenses	52,394,463	52,709,857	53,441,521	70,248,551	62,522,028
Total Expenses	235,397,311	246,099,489	257,161,090	262,507,149	274,033,575
Operating Income	(70,188,350)	(62,435,457)	(72,784,918)	(83,386,478)	(69,590,968)
Operating Margin	-42.5%	-34.0%	-39.5%	-46.6%	-34.0%
Total Margin	-42.5%	-34.0%	-39.5%	-46.6%	-34.0%
Deductions	52.1%	44.9%	44.7%	50.5%	47.9%

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Financial Performance – Samaritan Health Plans

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2025
Other Operating Income	534,230,337	599,087,498	665,112,583	747,818,824	789,219,441
Total Operating Revenue	534,230,337	599,087,498	665,112,583	747,818,824	789,219,441
Total Labor Expense	19,300,988	23,086,162	28,650,303	31,238,693	33,900,531
All Other Expenses	506,708,588	566,971,428	650,155,632	759,457,085	755,672,205
Total Expenses	526,009,576	590,057,590	678,805,935	790,695,779	789,572,736
Operating Income	8,220,761	9,029,908	(13,693,352)	(42,876,954)	(353,295)
Non Operating Income (Expense)	1,460,745	1,539,219	6,399,453	8,795,126	8,902,984
Net Income	9,681,506	10,569,127	(7,293,899)	(34,081,828)	8,549,689
Operating Margin	1.5%	1.5%	-2.1%	-5.7%	0.0%
Total Margin	1.8%	1.8%	-1.1%	-4.6%	1.1%
Deductions	0.0%	0.0%	0.0%	0.0%	0.0%

- ▶ Samaritan's performance for the two months ended February 28, 2025 was very near budget.
- ▶ Total operating revenues were \$298 million versus the budgeted amount of \$293 million.
- ▶ Operating income was effectively break-even with a (1.1)% operating margin, while excess income was very slightly positive.
- ▶ The improvement displayed was due to numerous factors. One key factor was the reduction in agency fees, which has continually trended downward since FY 22. More specifically, agency costs have decreased from \$76 million in FY 22 to \$66 million in FY 23 to \$56 million in FY 24 and are on pace to total \$39 million in FY 25.
- ▶ All of the above gives further support that Samaritan has implemented the vast majority of its initiatives and is trending to meeting its debt service coverage requirement in FY 25.

Financial Benefits of Recommendations

Samaritan Performance Improvement Plan

- ▶ Samaritan's formal performance improvement plan is divided into three areas – Phase 1 Expense Reduction, Phase 2 Expense Reduction, and Projects with a Return on Investment.
- ▶ There are two expense phases as they were developed at different times as FY 24 progressed.
- ▶ The total benefit is expected to be \$76 million.
- ▶ The areas of expense reduction and system projects span the entire scope of operations and can be seen in various break-outs over the next few pages.
- ▶ This target is very achievable as Samaritan has already implemented the vast majority of the items on this plan.
- ▶ Additionally, Samaritan believes it has the potential for another \$7 million from items developed after the plan was put in place. These include:
 - ❖ An initiative to convert observations cases to inpatient (\$5.6 million on an annual basis)
 - ❖ Realigning clinic provider schedules to allow 25,000 more visits (\$2.0 million on an annual basis)

Financial Initiatives Summary

- The chart below shows the savings by division of \$76 million performance improvement plan.

	Labor Savings	Non-Labor Savings	System Initiatives / Project ROI	Total
Pharmacy	\$ 537,197	\$ 2,706,314	\$ 4,085,848	\$ 7,329,359
Revenue Cycle	\$ 1,877,384	\$ 198,606	\$ 1,184,688	\$ 3,260,678
Supply Chain	\$ 278,030	\$ 97,661	\$ 3,000,000	\$ 3,375,691
Hospital Ops	\$ 16,692,052	\$ 2,041,067	\$ 3,974,511	\$ 22,707,630
Medical Group Ops	\$ 12,718,181	\$ 1,750,390	\$ 1,824,000	\$ 16,292,571
Corporate	\$ 8,368,335	\$ 2,433,357	\$ 674,661	\$ 11,476,353
Health Plans Ops	\$ 1,715,234	\$ 7,685,557	\$ 390,432	\$ 9,791,223
Employee & Recruitment Program Changes	\$ -	\$ -	\$ 1,990,839	\$ 1,990,839
	\$ 42,186,413	\$ 16,912,952	\$ 17,124,979	\$ 76,224,344

Financial Initiatives Phase 1

- ▶ The elements of Phase 1 can be seen on the chart below.
- ▶ As the chart shows, labor represents the vast majority of the total. Supplies, purchased services, and other expenses represent the balance. Salary savings include the elimination of 94.4 FTE.

Category	2025 (\$ Millions)
Salaries	\$15.29
Benefits	\$4.91
Agency	\$20.2
Labor Total	\$40.4
Supplies	\$4.37
Purchased Services	\$7.1
Expenses	\$2.73
Non-Labor Total	\$14.2
Total	\$54.6

Phase 1 Description

- ▶ As the chart indicates, Phase 1 includes the reduction of both labor and non-labor expenses.
- ▶ The key elements of the labor cost savings are:
 - ❖ Senior leadership compensation reduction
 - ❖ Consolidation and restructure of leadership roles
 - ❖ Decrease in agency and locums usage
 - ❖ Deferred planned wage adjustments
 - ❖ Increase PTO usage
 - ❖ Elimination of positions and programs
- ▶ The key elements of the non-labor cost savings are:
 - ❖ Decreased consulting expense
 - ❖ Decreased education, travel, and catering
 - ❖ Restructuring of employee wellness benefits
 - ❖ Reduced supply expense
 - ❖ Elimination of unnecessary purchased services
 - ❖ Decreased capital expenditures
 - ❖ Elimination of cell phone stipends for exempt staff

Financial Initiatives Phase 2

- The chart below shows the key elements of Phase 2 by division.
- As was the case with Phase 1, labor represents the vast majority of the total.

Division / Tactic	Labor Savings	Non-Labor Savings	Phase 2 Total
Revenue Cycle	\$704,192	\$100,000	\$804,192
Supply Chain	\$182,264	\$-	\$182,264
Hospital Operations	\$5,123,319	\$455,157	\$5,578,476
Medical Group Operations	\$2,133,961	\$307,087	\$2,441,048
Corporate Shared Services	\$2,390,357	\$1,091,661	\$3,482,018
Health Plans Operations	\$255,345	\$941,000	\$1,196,345
	\$10,789,438	\$2,894,905	\$13,684,343

Phase 2 Description

- ▶ Phase 2 is focused much more heavily on reducing labor costs than non-labor costs.
- ▶ Details of the labor reduction are as follows:
 - ❖ Positions 113
 - ❖ FTE 103.6
 - ❑ Leadership 31%
 - ❑ Staff 69%

❑ Not Back-Filling FTE	21.4
❑ Delayed Hiring	8.0
❑ Reduction Existing employees	<u>74.2</u>
■ Total	103.6

Budgeted Projects Description

- ▶ Of the \$7.8 million total, approximately half is associated with pharmacy or 340b initiatives.
- ▶ Additionally, about one quarter of the total is associated with increasing primary care capacity.
- ▶ The next largest item on the list is an initiative to appropriately improve inpatient length of stay and reduce excess days
- ▶ The other initiatives total less than \$1 million.
- ▶ Of note, Samaritan's total improvements associated with pharmacy, increasing primary care capacity, and appropriately converting observation cases will exceed the numbers above as they pertain only to the \$76 million performance improvement plan as it was originally created, and additional benefits will come from those items beyond this plan.

Savings Detail	Benefit
Pharmacy Improvement Initiatives	\$4,085,848
Hospital Operations Initiatives	\$1,931,500
Medical Group Initiatives	\$1,824,000
Total:	\$7,841,348

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Financial Benefits by Revenue or Expense Item

- The chart below shows Phase 1, Phase 2, and Budgeted Projects separated by functional group within Samaritan.

	Phase 1			Phase 2		Project ROI	Total
	Labor Savings	Non-Labor Savings	System Improvement Initiatives	Labor Savings	Non-Labor Savings		
Pharmacy	\$537,197	\$2,706,314	\$-	\$-	\$-	\$4,085,848	\$7,329,359
Revenue Cycle	\$1,173,192	\$98,606	\$1,184,688	\$704,192	\$100,000	\$-	\$3,260,678
Supply Chain	\$95,766	\$97,661	\$3,000,000	\$182,264	\$-	\$-	\$3,375,691
Hospital Operations	\$11,568,733	\$1,585,910	\$2,043,011	\$5,123,319	\$455,157	\$1,931,500	\$22,707,630
Medical Group Operations	\$10,584,220	\$1,443,303	\$-	\$2,133,961	\$307,087	\$1,824,000	\$16,292,571
Corporate Shared Services	\$5,977,978	\$1,341,696	\$674,661	\$2,390,357	\$1,091,661	\$-	\$11,476,353
Health Plans Operations	\$1,459,889	\$6,744,557	\$390,432	\$255,345	\$941,000	\$-	\$9,791,223
Employee & Recruitment Program Changes	\$-	\$-	\$1,990,839	\$-	\$-	\$-	\$1,990,839
	\$31,396,975	\$14,018,047	\$9,283,631	\$10,789,438	\$2,894,905	\$7,841,348	\$76,224,344

Key Tactics for 2025 Cost Savings

- ▶ Key tactics for achieving Phase I, Phase II and the budgeted projects improvements include:

Category	Key Tactics	Total Net Benefit
Pharmacy	Optimized drug pricing and 340B savings, contract terminations and renegotiations, staffing adjustments, specialty pharmacy growth	\$ 7,329,359
Revenue Cycle	Increased automation, improved charge capture, staffing reductions, leadership restructuring	\$ 3,260,678
Supply Chain	Reduced supply expenses (surgical implant standardization, price optimization), improved freight and linen management, staffing reductions, leadership restructuring	\$ 3,375,691
Hospital Operations	Decreased reliance on agency and locum staff, staffing adjustments, leadership restructuring, improved inpatient throughput, improved clinical documentation, Swing Bed expansion, cardiac program growth, process improvements, reduction in purchased services	\$ 22,707,630
Medical Group Ops	Leadership restructuring, staffing adjustments, reduction in medical directorships, decreased provider CME allowances, increased visit volume and access through standardization and automation, contract terminations and renegotiations	\$ 16,292,571
Corporate	Leadership restructuring, staffing adjustments, software licensing savings, non-essential program changes, supply expense reductions, consolidation of support services, reduction in purchased services, adjustments to employee wellness benefits, vendor contract renegotiations	\$ 11,476,353
Health Plan Ops	Staffing reductions, leadership restructuring, lower consultant and purchased service expenses, strategic outsourcing, employee medical benefit adjustments, process improvement initiatives	\$ 9,791,223
Employee & Recruitment Program Changes	Modifications to non-medical employee benefits and programs, elimination of stipends, reduced recruitment incentives, paused recognition awards, program revamps to decrease expenses, scaled back education, travel, and catering expense	\$ 1,990,839
TOTAL ALL PHASES		\$ 76,224,344

Conclusion - Samaritan Performance Improvement Plan

- ▶ In summary, Warbird believes that Samaritan's performance improvement plan is very attainable and achieving \$76 million in improvements is reasonable.
- ▶ Furthermore, Warbird believes that Samaritan could get an additional \$7 million from the initiatives developed after the performance plan was implemented.
- ▶ Above and beyond Samaritan's performance improvement plan, Warbird believes that Samaritan could achieve further benefits primarily in out years with several more long-term items.
- ▶ These are outlined on the following page.

Longer-Term Improvements Beyond the Performance Improvement Plan

- ▶ Warbird believes that Samaritan could execute several long-term actions beyond the performance improvement plan. Most of these are too early in the process to identify a potential dollar savings.
- ▶ The key items are:
 - ❖ Service line consolidation which would allow for cost savings through decreased rental space, staffing, supplies, overlapping of services, and other items
 - ❖ Ramping up new GI group
 - ❖ Exploring synergies and opportunities with one or both health plans
 - ❖ Selling various pieces of land
 - ❖ Significantly upgrading point of service collections
 - ❖ Significantly reducing denials
 - ❖ Increasing productivity of surgical, specialty, behavioral health, and acute care physicians via capacity management initiative
 - ❖ Increasing operational throughput of operating rooms

Corporate Organization

Exhibit 1.a.v
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- ▶ **Warbird recommends that Samaritan keep open dialogue with health systems in both Oregon and other states.**
- ▶ This dialogue could lead to very loose clinical arrangements up to complete mergers.
- ▶ Even if nothing occurs, Warbird believes this is wise as the healthcare industry continues to become more challenging.
- ▶ On a more specific note, Warbird understands that Samaritan is considering alternative ownership structures with respect to Samaritan Health Plan and possibly also Intercommunity Health Plan.
- ▶ Warbird believes the potential sale of the plan(s) would be beneficial as it would result in an immediate liquidity boost and the elimination of losses at the plan(s), primarily driven by their relatively small number of members.

Physician Activities

Exhibit 1.a.v
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Samaritan Medical Group

- ▶ SMG's medical staff is well rounded with a broad range of specialties. This consists of 447 doctors and 206 advance practice providers and is broken down under five clinical specialties and services with five Senior Medical Directors and five Associate Vice Presidents:
 - ❖ Primary Care
 - ❖ Medical Specialties
 - ❖ Surgical Specialties
 - ❖ Acute Care and Hospitalists
 - ❖ Behavioral Health
- ▶ SMG's top-down governance structure consists of a Senior Executive Council, SMG Leadership Council which oversees the Governance Committee, Compensation and Finance Committee, and a separate System Quality Executive Committee which jointly oversees the Samaritan Ambulatory Quality Committee.
- ▶ SMG utilizes a dyad model consisting of a clinician and operational leader.
- ▶ SMG services over 80 clinic locations including Primary and Specialty clinics, Urgent Care clinics, and oversees 10 GME programs with over 113 residents and fellows.

Structure of SMG Providers

- ▶ SMG employs about 653 physicians and allied health professionals. For FY 24, SMG lost approximately \$83 million, or approximately \$138k per provider.
- ▶ The arrangements with the largest losses are as follows:
 - ❖ Gyn-Oncology
 - ❖ Mental Health
 - ❖ Anesthesia
 - ❖ Critical Care
 - ❖ Trauma
- ▶ **Warbird recommends exploring options to terminate and replace low performing providers or seek a different approach to reduce the loss.**
- ▶ **Warbird also suggests continued restructuring the existing employment agreements with the providers to an RVU model to create more aligned incentive targets.**

Locums Usage

- ▶ Warbird understands that SHS reduced locums usage in 2024 by 18% over the prior year. The first two months of 2025 has shown similar improvement.
 - ❖ SHS is focused on increasing a deeper pool of specialists. **Warbird recommends focusing on this initiative and the recruitment/retention of general surgery, orthopedics, and primary care providers.**
 - ❖ SHS has recently recruited a gastroenterologist group to provide surgical coverage.

Locums – Financial Impact

- As the chart below shows, usage of locums peaked in FY 23 and has continually decreased since that time. FY 25 is on pace to be \$6.6 million.

	2022 Total	2023 Total	2024 Total	2025 Total (YTD Feb)
System Total	\$ 15,455,236	\$ 18,946,645	\$ 15,394,305	\$ 1,105,383
Dyad				
HOSPITAL	\$ 6,359,080	\$ 11,459,104	\$ 8,825,720	\$ 283,780
ACUTE	\$ 1,136,073	\$ 925,193	\$ 1,315,734	\$ 69,427
ADMIN	\$ 896	\$ -	\$ -	\$ -
BEHAVIORAL	\$ -	\$ -	\$ -	\$ -
MEDICAL	\$ 2,276,856	\$ 582,054	\$ 984,444	\$ 87,821
PRIMARY	\$ 1,426,031	\$ 1,315,204	\$ 544,921	(\$10,800)
SURG	\$ 4,256,300	\$ 4,665,091	\$ 3,723,486	\$ 675,156

Medical Directorships, Administrative Pay, and Stipends

Exhibit 1.a.v
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- ▶ To provide medical oversight, Samaritan employs physicians to provide leadership and direction for various service lines.
 - ❖ Acute Care
 - ❖ Behavioral Health
 - ❖ Medical Specialty
 - ❖ Primary Care
 - ❖ Surgical Specialty
- ▶ Additionally Samaritan provides various “administrative payments” to providers for other services rendered. Administrative pay and stipends are \$4.8 million and \$730,000 annualized.
- ▶ **Warbird recommends taking a close look at the cost of these payments as a way to reduce expenses.**

Recruitment

- ▶ The decision-making process for a "provider needs assessment" would benefit from an analytical tool extrapolating robust market information. Data from non-Samaritan referrals are commonly utilized to understand demand for specialties that might be of need.
- ▶ Warbird recommends engaging a third-party vendor that provides a thorough landscape of provider needs in Samaritan's service areas.
- ▶ Productivity reports should be shared and reviewed with Samaritan physicians individually on a monthly basis, as well as with quarterly meetings by service line. These discussions would help identify provider gaps.
- ▶ Samaritan is currently working on a pipeline report to assist in this process.

Service Lines and Referral Networks

- ▶ Samaritan's referral network has opportunities for improvement through communication, accountability, and oversight, as there currently is leakage out of the Samaritan network. Reducing this leakage is critical to keeping patients within the ecosystem.
- ▶ Several key service lines are under-represented in the community, such as:
 - ❖ Internal Medicine
 - ❖ GI
 - ❖ General Surgery
- ▶ Warbird believes that significant additional revenues will be generated by the recruitment of additional physicians.
- ▶ There is opportunity to add additional service lines, such as:
 - ❖ Dermatology
 - ❖ Neurology
 - ❖ ENT
 - ❖ Maternal Fetal Medicine
 - ❖ Allergy
 - ❖ Pain Management
- ▶ **Warbird recommends pursuing these additional specialties and using aggressive incentive-based contracts.**

Volumes

► Volume Observations

- ❖ System-wide patient days decreased from 72,000 to 71,000 to 68,000 from FY 22 to FY 24.
- ❖ Primary care is an area that appears to be in need of recruitment to service the primary service area, thus resulting in more ancillary, inpatient, and surgical referrals.
- ❖ Total surgeries have increased from 21,600 to 22,000 to 22,600 from FY 22 to FY 24.
- ❖ Average length of stay has decreased the last three years, showing improved case management of inpatients.
- ❖ Births have decreased significantly in FY 23 and FY 24 from the prior two years.
- ❖ Imaging volume has trended up each of the last four years.
- ❖ **Warbird recommends a careful analysis of these and other volume opportunities to optimize patient satisfaction and profitability.**
- ❖ **Warbird recommends continued recruitment of necessary provider specialties.**

Employed Provider Contracts

- ▶ SMG utilizes an RVU structure for physician contracts. However, many providers are substantially under the national average in productivity with many at the 25% threshold. **Warbird suggests replacing any providers unable to attain maintain a minimum RVU threshold.**
- ▶ The industry average is in the 60-65% range worked RVU per provider.
- ▶ **Warbird highly suggests that Samaritan continues to address any provider under the 50% productivity to alleviate any obstacles they may perceive.**
- ▶ Allied professionals are primarily salaried. **Warbird suggests considering providing productivity targets in addition to a salary to reduce costs of underperforming APPs.**

Leakage and Outmigration

- ▶ Samaritan suffers from outmigration and leakage of existing patients within its network. Much of this stems from an inability to timely refer a patient within the system. The following are issues observed and, while multiple fixes are being developed and implemented, Warbird recommends full focus on these initiatives.
 - ❖ Productivity standards – In 2023, SMG providers were working roughly 35% of the MGMA average on WRVUs where the industry standard is 60-65%. A goal has been increased to 50% of the MGMA. Warbird highly suggests continued progress in this endeavor through regular provider meetings, feedback on barriers, and continued increase of the target upward.
 - ❖ Capacity management – Many SMG providers are underutilizing their allotted availability for clinic time. Schedule templates have begun being utilized for offering three options to choose from, thus allowing provider to make up for lost time seeing patients. This is expected to garner \$3-\$4 million in primary care alone through driving waste out of the system.
 - ❖ Data dashboards – SMG began utilizing this method for meeting industry standards (such as looking at 3rd next availability, among other items).
 - ❖ Decision trees – This process has been restructured to utilize an algorithm to create a more appropriate length of appointment and other related items.

Leakage and Outmigration, Continued

- ❖ Onboarding process for new SMG providers – There is ample opportunity to reset the onboarding program to fully integrate the new providers into the health system. This should consist of new providers meeting with specialists (especially those with more capacity), full marketing efforts to promote them to the community and SMG providers, and semi-regular group meetings to discuss interdisciplinary opportunities to keep patients within the system.
- ❖ Out-referral accountability – While there are always reasons for referring out of the Samaritan network (insurance, patient preference, higher level of care, etc.), regular feedback to the providers of patients leaving the system and the reasoning behind this is critical to maintain awareness and continue to work through barriers that contribute to this.
- ❖ Issues with internal inpatient transfers – Length of stay is a contributing factor within Samaritan hospitals for ease of transferring for tertiary care. Several projects are under way to stem this issue such as reducing ED boarders, empowering case management, inserting ED doctors into the triage process, and overhauling the transfer center. Warbird highly suggests continuing with this projects to get to a “yes” when a transfer call is initiated, thus reducing the necessity for transferring out of the SHS network. Additionally, outsourcing of the Case Management and Utilization Review functions are being considered to provider better coverage and cost savings.

Productivity

- ▶ Samaritan realizes that it needs to significantly improve the productivity of its physicians and has begun implementing programs accordingly. Samaritan believes it can realize a mid-range revenue pick-up of \$26.9 million once the four areas of concern have been fully implemented.
- ▶ Its first area, which is already underway, is its group of primary care physicians. It expects the financial benefit of improvements in this area to be \$4.5 million and to largely occur in FY 25.
- ▶ The next area is Surgical Specialty. This will likely occur after FY 25 but be very beneficial with improvements approximating \$12.7 million.
- ▶ The next area is Medical Specialty. This is also likely to occur after FY 25 but be very beneficial with improvements of about \$8.6 million.
- ▶ Improvements associated with Samaritan's behavioral health providers will be implemented in 2026 with benefits of \$1.0 million.
- ▶ Improvements associated with acute care providers will also be implemented in 2026 with an estimated \$32,000 in improvements.

Health Plan Activities

Exhibit 1.a.v
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Health Plan Activities

- ▶ SHP has had a rise in claims costs to the organization post-pandemic causing a \$34 million loss in 2024. This has resulted in higher premiums being passed on to SHS. The Change Healthcare cyberattack in April 2024 exacerbated these issues.
 - ❖ Increased Medicare utilization in 2024 necessitated an adjustment to reserves at the end of the year.
 - ❖ Growth occurred primarily in the outpatient and professional categories with Samaritan not benefiting from increased payments which either decreased by category or remained flat from prior year.
 - ❖ Claims over \$100,000 per member increased resulting in higher FFS costs and higher premiums and retention points going forward.
 - ❖ Information technology capability limits were discussed necessitating a need for a “Network Modeler”. This would allow information to be loaded to see potential savings. Warbird highly recommends continuing with an RFP for an IT contractor.
 - ❖ SHS’s Medicaid contract appears to have been built utilizing a Medicare fee schedule versus a Medicaid fee schedule. Warbird suggests addressing this model.

Health Plan Recommendations

- ▶ The key recommendation is to explore synergies and opportunities with one or both health plans.
- ▶ A second recommendation is to create more synergy between SHP and SMG.
 - ❖ Collaborate and provide education to providers
 - ❖ Share and discuss quality metrics related to health plan
- ▶ It should be noted that changes between SHP and SMG revenue/expense-wise do not change system profitability, but only subsidiary profitability.
- ▶ If the sale(s) of the health plans do not occur, Warbird has the following recommendations:
 - ❖ Increase revenues through renegotiated rates to providers (Samaritan and non-Samaritan) and patients
 - ❖ Control costs
 - ❖ Continue to realign health plan FTEs to better enhance functionality
 - ❖ Enhance IT capabilities with a “network modeler”
 - ❖ Consider adding an internal actuary to improve actuarial analysis
 - ❖ Create a collaborative environment with SMG providers. Discussions regarding cost trends, quality measurements and gaps, clinical education, and other items will benefit SHP success.

Relationship between SHP and SMG

- ▶ The working relationship between SHP and SMG is a vital one for the financial success of the system. A spike in utilization in 2024 necessitated an adjustment to reserves at year end. This utilization increase occurred primarily in the Outpatient and Professional categories.
- ▶ There appears to be a large opportunity for better engagement and collaboration between the health plans and the SMG providers.
 - ❖ Cost trends
 - ❖ Quality measures and gaps
 - ❖ Educational opportunities to explore better alignment
- ▶ **Warbird highly recommends a more proactive collaboration between SHP and SMG.**

Human Resources

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Employee Benefits, Turnover, and Vacancies

- ▶ Warbird discussed Samaritan's human resource activities with Human Resource leaders.
- ▶ Based on these discussions, Warbird believes that Samaritan's benefit structures are well designed and has no recommendations for changes.
- ▶ Similarly, Warbird believes that Samaritan is in a good position with respect to its turnover and vacancies.

Paid Leave Oregon and Staffing

- ▶ Paid Leave Oregon
 - ❖ There is a high cost associated with Paid Leave that is granted by the state of Oregon. Samaritan has suffered thousands of hours in Paid Leave each month with most call-ins resulting in increased overtime and agency usage.
 - ❖ **Warbird recommends bulking up the PRN pool to alleviate use of overtime.**
 - ❖ **Warbird recommends considering an incentive payment to staff for working a certain threshold of scheduled shifts.**
- ▶ Staffing issues
 - ❖ While staffing has improved since the Covid pandemic, there is still a higher than desired amount of agency and overtime usage.
 - ❖ **Warbird suggests further attention to bulking up the PRN pool to help alleviate the costs associated with this.**
- ▶ Coordinate with community college
 - ❖ Warbird suggests seeking to enhance opportunities and relationships with local community colleges offerings clinical programs.

Staffing Analysis

- ▶ Nursing department opportunities
 - ❖ Warbird understands that Samaritan's ability to increase productivity and, thus, profitability, through optimizing staffing is limited due to both its union contracts and State of Oregon requirements.
 - ❖ Due to current efforts and successes with length of stay decreasing, flexing down of staff is critical to lowering labor costs.
 - ❖ **Warbird recommends conducting a staffing analysis of the nursing departments to see if any cost reduction/consolidation opportunities exist, as well using flexed staffing where appropriate.**
- ▶ Decreased labor costs nursing
 - ❖ Management believes there is an opportunity to better control labor costs through workflow and reworking how breaks are utilized. The plan is to utilize an "innovative care model".
 - ❖ **Warbird recommends exploring this opportunity, as well as patient flow, to alleviate patient backlog and labor costs.**

Managed Care and Revenue Cycle

Exhibit 1.a.v
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Managed Care Contracts

- ▶ Warbird believes that Samaritan has done a good job as it has continually increased its managed care rates. However, it also believes that Samaritan's size may preclude it from obtaining rates being granted to much larger systems.
- ▶ As such, Warbird believes that Samaritan could improve profitability through more favorable contracts. To this end, Samaritan is currently working with various payors on upcoming contract renewals and utilizing strategies to enhance reimbursement. **Warbird recommends continual analysis of payor contracts and developing a strategy to potentially negotiate higher rates where applicable.**
- ▶ Warbird understands that managed care contracts are primarily DRG arrangements.
- ▶ Samaritan does well with utilizing carve-outs for high prices items such as implants, pharmacy items, infusions, etc. and has several initiatives in Purchasing to further enhance this.

Managed Care Contracts, Continued

- ▶ The largest commercial payers are BCBS, Providence, Samaritan Choice Plans, MODA Health, and PacificSource.
- ▶ In FY 24, SHS generated \$2.6 million of additional revenue above FY 23 through increased managed care rates.
- ▶ For FY 25, SHS expects to generate an additional \$4.6 million of revenue above FY 24 through increased managed care rates.

Revenue Cycle Introduction

- ▶ Samaritan is beginning to see tangible gains throughout the Revenue Cycle process due to the initiatives recently implemented.
- ▶ Point of Service collections remains the largest area where improvement could be made. Conservatively estimating a 1% point of service collection improvement, revenues could increase by \$10 million.
- ▶ Reducing denials also remains an area of opportunity. Conservatively estimated, revenues could increase by \$10 million with a 1% reduction.
- ▶ Oregon House Bill 3320 will create further challenges to patient portion collectability.
- ▶ Span of control and uniformity of processes and training will be key through the disparate touch points throughout the system.

2024 Revenue Cycle Performance

- ▶ Samaritan made achieved several accomplishments in 2024.
- ▶ There were also several challenges during the year.
- ▶ The key accomplishments and challenges included the following:
 - ❖ Cash Year Over Year increase of 3.25% or \$38.5 million (not including VB/incentives)
 - ❖ RC Budget Achieved Positive \$3 million Impact
 - ❖ Reduced HB3320 Impact >\$8 million
 - ❖ These occurred despite these 2024 challenges:
 - ❑ Ice Storm
 - ❑ CHC Cyber Attack
 - ❑ HB 3320
 - ❑ New Price Transparency Rules
 - ❑ Epic Upgrades
 - ❑ Cost Savings Initiatives
 - ❑ 3 Open Leadership Positions
 - ❑ UHC OON 1.9.2024 HB

2024 Revenue Improvements

- ▶ **Revenue Improvement for 2024 included the following:**
 - ❖ L&D Charge Ticket Revamp-Improved Net Revenue by 2.7% (**\$500k lift**)
 - ❖ Missing Epidural Revenue from L&D (**\$2.1M Gross Impact**)
 - ❖ Expanded Trauma Activations:
 - ❑ Created charges for Trauma activations without pre communication.
 - ❑ Standardized Trauma Activation
 - ❖ Swing Bed Project
 - ❖ RadOnc Charge Opportunity
 - ❑ CPT 77332 (billed on Professional) w/Add-on code (**\$716,089 Gross Impact**)
 - ❑ Additional CPT & Add On Codes (**\$126,672 Lift**)
 - ❖ Automating CMS edits: Medically Unlikely Edits (MUE), National Correct Coding Initiative (NCCI)
 - ❖ Revenue Guardian Enhancement
 - ❑ Missing Blood Transfusion charges
 - ❑ ED visit without ED Charge
 - ❑ Accounts that only have drug or supply charges
 - ❑ Automated Flu Admin charge
 - ❑ Chemo Drug missing Admin charge
 - ❑ Device dependent surgical codes without device
 - ❑ Trauma Activation missing Critical Care charge
 - ❑ Trauma activation charge with no
 - ❑ Observation Account without Observation charges
 - ❖ Automating department charging off documentation
 - ❖ Multiple Compliance Issues Identified and Remedied

2024 Patient Access Accomplishments

- ▶ Samaritan achieved several patient access accomplishments in 2024. The key ones were:
 - ❖ Implemented New Interpreter Workflow Process
 - ❖ Implemented Provider on the Fly (reduction in touches)
 - ❖ Implemented GSR New Stemi Process (delay of care)
 - ❖ Swing Bed Project NLH & PCH
 - ❖ 78% Decrease in VA authorizations Link
 - ❖ Point of origin Process Implemented (system build issue)
 - ❖ 82% Decrease ABN Denials
 - ❖ DNV (like JOC) Facility Surveys (No findings)
 - ❖ HB 2697 Staffing levels for Registration
 - ❖ 40% Increase in Insurance Cards Scanned (facility only)

Point of Service Collections

- ▶ The point of Service collections process for patients throughout the system is significantly lacking. Warbird's understanding is that the Epic electronic medical record does not have a benefit engine activated for Samaritan. This means that a manual guesstimate must be made by the person performing the upfront process. This is unreliable and leaves Samaritan at the mercy of the individual within the many touchpoints of Samaritan to correctly guess the amount and actively pursue the collection. **Warbird highly recommends pursuing the functionality within the Epic system.**
- ▶ With the advent of Oregon House Bill 3320, collecting after the time of service will continue to be a challenge.
- ▶ Samaritan utilizes a Financial Assistance application process and a flexible payment plan offered via AccessOne.

Denials

- ▶ Warbird believes that Samaritan, with the help of consultants, is being proactive with new initiatives to reduce denials throughout the system.
- ▶ Obtaining proper authorizations has been the largest area in need of improvement for denials. One area of concern is that Samaritan does not have a centralized department for authorizations. **Warbird highly recommends pursuing the feasibility of centralizing this vital function.** This would create efficiency and reduce FTEs. Warbird understands a Root Cause Analysis is being conducted for this endeavor.
- ▶ The two largest contributors for denial write-offs are improper authorizations and a lack of documented medical necessity. **Warbird highly suggests doing a deep dive into what is driving these types of denials.**
- ▶ Advanced Beneficiary Notices (ABNs) seem to be a source of concern for Revenue Cycle leadership as well. Staff understanding of how they are utilized is of specific concern. This is of particular opportunity in the Imaging Services departments. Warbird suggests a concentrated training program for applicable staff related to ABNs.

Denials, Continued

- ▶ Revenue Cycle leadership is undertaking a strategic effort to reduce denials for the SMG. Below are some of the initiatives:
 - ❖ Fostering collegial teamwork with the Medical Group Executive team in an effort to be involved in the rapid response improvement effort
 - ❖ Regular meetings with SMG management to address the top two denial reasons; no authorization and eligibility
 - ❖ Creation and sharing of custom and user-friendly reports out of the Epic EMR
 - ❖ Regular information sharing meetings to align priorities and objectives
- ▶ **Warbird highly recommends all efforts to coordinate and communicate with the SMG team on these critical priorities.**

Key Revenue Cycle Recommendations

- ▶ Continue to aggressively work action plans for denials and point of service collections.
- ▶ Consider contracting with the Epic EMR to be able to utilize the benefit program to accurately determine patient responsibility.
- ▶ Training with pertinent staff on utilization of Advanced Beneficiary Notices.
- ▶ Take advantage of other smaller revenue cycle opportunities.
- ▶ **Warbird endorses the movement of the coders under the revenue cycle director.**
- ▶ Continue the Revenue Cycle Outreach strategy and initiatives with the SMG

Revenue Cycle Vendors

Vendor	Department	Description
Ability/Inovolan	RBO	Medicare Claims management
AccessOne	RBO	offer and manage payment plans to patients (providing payment to SHS in full)
Amergis	HIM	Agency Coding Service
Boost	Contracting/RBO	contract negotiation support and under payment recoveries
Cancer Registry	HIM	Transferred from GSR journal entry
City Delivery	RBO	Mail Delivery Service for Avery Square Location (a variety of departments)
Cloudmed/R1	RBO	Transfer DRG-FFS
Corvallis Moving and Storage	HIM	Record Storage (Variety of Department Documents)
Deliver Health	HIM	Transcription Services for Pathology
e4Health	HIM	Coding Audits
Experian	Patient Access	RTE,Benefit Mapping, Medicare
FinThrive	RBO	Shadow Billing (New Agreement from Finance-to be terminated Dec. 2025)
Firstsource	RBO/Access	Uninsured/under-insured support for application to approval on payment source
Harmony	HIM	Agency Coding Service
Instamed	RBO	CC read devices and merchant fees
Iron Mountain	HIM	Record Storage (Variety of Department Documents)
KODE Health	HIM	Coding agency
Loomis	RBO	Armored car services
McBee	UM	UR Interim Support
MCG	HIM	Medical Necessity Criteria (loaded in Epic)
Merchants Services	RBO	Collection Agency
Metro Presort	RBO	Mail processing
MRO	HIM	Release of Information
Pacific Office Automation	RBO	Support of Office Machines
Panacea	CDM	Strategic Pricing/Price Transparency/Charge Assist System
Paro/Waystar	RBO	Presumptive Charity and HB3320 Prescreening
Professional Credit Services	RBO	Collection Agency
Professional Interpreters	RBO	Department use of service
Quadax	RBO	Clearing House
RevSpring	RBO	Statements/texts/reminder calls
Solventum PKA 3M	HIM	IP and OP Coding (pending contract for OP CAC & Professional Coding/Engage One
USPS	RBO	Charged for System PO Boxes

Reimbursement and Strategic Pricing

- ▶ Warbird understands that Samaritan is pleased with its current cost report/reimbursement work provided internally but may seek a second look on a one-time basis by outside consultants.
- ▶ **Warbird recommends that Samaritan continue to complete strategic repricing reviews annually and raise prices where indicated accordingly.**

Purchasing, Real Estate Management, Grants, Insurance, Expenses, and Other

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Purchasing

- ▶ The Materials Management department oversees roughly 700 contracts for Samaritan with food and pharmaceuticals being the exceptions.
- ▶ Total supply expense (less pharmaceuticals) for the last three years were the following:
 - ❖ 2022: \$105.0 million
 - ❖ 2023: \$106.6 million
 - ❖ 2024: \$106.1 million
- ▶ Warbird understands the following initiatives have begun with a goal of a \$3 million savings for the supply chain.
 - ❖ Freight
 - ❖ Linen utilization
 - ❖ Hip, knee, and shoulder implants
 - ❖ Utilizing "aggregation groups" through Vanderbilt
- ▶ **Warbird strongly recommends moving forward with these initiatives.**

- ▶ Samaritan owns and leases various properties including vacant land, office space, and a hotel.
- ▶ **Warbird recommends evaluating all vacant space for the opportunity to maximize the utilization.**
- ▶ This may include subleasing owned or leased space or discontinuing any current leases when possible.
- ▶ If opportunities arise, they would increase revenues and/or decrease expenses of Samaritan.
 - ❖ N. Albany property: 2.53 acres adjacent to an SHS MOB in N Albany. Appraised at \$1.43 million several years ago. A discussion with a developer is anticipated.
 - ❖ Brandis/Briggs property - 2 lots (Brandis/Briggs) totaling 83.91 acres, only 40 developable, remaining is wetlands, with a creek riparian corridor, long term plan to sell the property. Samaritan will send a proposal to developer interested in the smaller section (9 acres) in addition to meeting with two different developers on the larger parcels to see what the options are. In 2015, the initial value was estimated at \$1 million. The infrastructure around the property is much more robust now, and Samaritan believes the value has gone up.
 - ❖ Cannery Mall – Corvallis – The Board recently approved putting it on the market. It was appraised at \$8.4 million. Discussions with brokers to get it on the market are in process.
 - ❖ Spruce street Corvallis - 0.94 acre. Sale is planned to close in June 2025 at \$1.15 million.
- ▶ **Warbird recommends soliciting bids to sell the Best Western hotel and convention center as it is not related to healthcare operations.**
- ▶ **Warbird recommends moving forward with the various land sales.**

- ▶ SHS has five distinct foundations with an Executive Director and a developmental specialist reporting to a central foundation office. The foundations utilize Coldstream for its investments which specializes in healthcare foundations and is local to Oregon.
- ▶ There are several FTEs that are grant funded.
- ▶ The foundation sizes range from \$500,000 - \$1 million.

- ▶ Warbird reviewed Samaritan's insurance and risk attributes and believes that Samaritan is taking all the appropriate actions.

Expense Summary

- ▶ Warbird analyzed Samaritan's expense structure and generally believes that there is opportunity for improvement.
- ▶ Labor expense is tied very closely to Samaritan's significant union exposure, leading to very little ability to push down on labor costs and only a small amount of opportunity to decrease headcount.
- ▶ **Warbird recommends color coding items in the operating theaters based on high to low cost and educating the staff and providers on utilizing lower cost supplies when able.**
- ▶ **As noted above, Warbird recommends that Samaritan conduct service line analyses looking for opportunities to grow volume.**
- ▶ Pharmacy costs remains a savings opportunity. **Warbird recommends continuing to standardize at each location, level set formularies, classify infusion therapeutics under Albany, and work with clinicians for better utilization of the 340b program.**
- ▶ Samaritan is experiencing issues with timeliness of sub-acute transfers out of the facilities. **Warbird recommends continued pursuit of reserving skilled nursing beds locally for ease of transfer, thus reducing labor and supply utilization and costs.**
- ▶ A smooth and rapid transfer system within Samaritan can be an issue for getting patients discharged. This has resulting in a rate as high as 50% of calls not being fulfilled. **Warbird recommends continuing with the overhaul of the initiatives recently begun to rectify this issue.**

- ▶ Warbird believes that Samaritan is successfully managing a difficult position, given its union-dominated employment base.
- ▶ This heavy union presence serves to continually push up Samaritan's wage and benefit expenses.
- ▶ Unfortunately for Samaritan, it is limited in its ability to control these increases and must continue to take tough negotiating positions to maximize its finances.

Other Expenses

- ▶ Warbird suggests continuing with the Purchasing initiatives in an effort to realize a \$3 million savings in 2025 related to freight costs, linen utilization, hip and knee implant costs, and the utilization of “aggregation groups”.
- ▶ Warbird reviewed with management other smaller expenses, such as cafeteria, radiology, housekeeping, security, etc.
- ▶ Warbird believes that there are no actions that could be taken to reduce expenses in these areas any more than a very small amount.

340b Program and Pharmacy

- ▶ Samaritan's 340b program is critical to pharmacological opportunities. FY 23 provided over \$50 million in savings from participation in this program.
- ▶ Savings decreased in the last year due to manufacturers' cutting savings, and many local contracted pharmacies have been terminated.
- ▶ Enhanced compliance of SMG providers will provide further savings. Warbird recommends educating the providers on the value of preferred pharmacy utilization.
- ▶ Albany has most favorable 340b pricing due to its inclusion in the DSH program.
- ▶ An opportunity exists with provider conversion to generic or preferred drug utilization.
- ▶ Ensure system is fully accessing "own use" provisions discounts.
- ▶ Continue utilization of biosimilars for a potential \$1 million - \$ 2 million in savings.
- ▶ Internal prescription capture is roughly 20%, and physician education beginning with the senior medical directors is suggested.

Investment Income

- ▶ Warbird reviewed Samaritan's investments and investment income and has no recommendations.
- ▶ Asset allocation appears to be appropriate, and investment return has been strong.
- ▶ RVK is the investment advisor.

- ▶ Warbird believes that Samaritan's treasury function is strong.
- ▶ More specifically, Warbird notes that:
 - ❖ Samaritan forecasts operations and cash flow.
 - ❖ Samaritan has had good investment performance.
 - ❖ Samaritan does not have any refunding opportunities at this time.

Accounts Payable and Cash Management

- ▶ Warbird reviewed how Samaritan manages its liquidity broadly and its accounts payable specifically.
- ▶ This review was done to examine if Samaritan could achieve a one-time boost in cash.
- ▶ Warbird concluded that Samaritan is taking all the appropriate steps in this regard.
- ▶ Samaritan has a \$16 million line of credit and has only rarely (if ever) used it.
- ▶ Accounts payable are managed, taking into account the following:
 - ❖ Managing vendors well from high-level perspective
 - ❖ Avoiding penalties
 - ❖ Avoiding credit holds
 - ❖ Prioritizing certain vendors
 - ❖ Taking discounts when it makes sense

Information Technology

- ▶ Warbird reviewed Samaritan's IT functionality and has no recommendations.
- ▶ Samaritan will merge with Santiam Hospital in the summer of 2025 and will convert their Electronic Medical Record to Epic. This cost is expected to be \$4 million - \$6 million.
- ▶ Warbird understand that Samaritan will be executing some system conversions.
 - ❖ Kronos upgrade
 - ❖ Epic conversion for new hospital acquisition
 - ❖ Implementing Epic Cupid
 - ❖ Continue working with UKG Dimensions
 - ❖ Move to cloud vs data center; not imminent
- ▶ These conversions expected to have a small impact on cash flow in the near-term.

IT Systems

Function	Application	SHS Application Vendor
340B Program Management	Omnicell	Plenful
Ambulatory Payment Classifications (APC) Grouping software	3M	
Archive	Harmony HDA	
Bedside Monitoring Device Integration	Isirona	Masimo (Nanhealth), Philips
BloodBank	Softbank	SCC Soft Computer
Breast Imaging Resulting	Epic	
Care Coordination	Unite Us	
CCO Attributor	RTE Direct Connect with SHPO	
Claims Clearinghouse	Quadax	Quadax
Clinical Decision Support	Up to Date	Wolters Kluwer
Compliance - Drug Diversion	Protenus	Protenus
Compliance - PHI	Protenus	
Content Management/ Document Management System	Hyland OnBase	Hyland
Contact Center Softphone service	Five9	Five9
Contracted Radiology Services After Hours	Direct Radiology	
CPACS	Scimage/Picom	
Credit Card Gateway	Instamed	Instamed
Current Procedural Terminology (CPT) with RVUs	Optum	
Customer Relationship Management (CRM)	LionShare	LionShare (Diata)
Dictation	Dragon DMO, DAX Copilot, eScription	Dragon and DAX = Nuance eScription = DeliverHealth
Diet/Nutrition Services System	Dietary Food Management System (DFM)	DFMSoft Dietary Food Management (DFM)
DRG ICD-10/APR	3M	
Drug database medication data vendor	Medispan	Nuance
ECG/EKG	Midmark Connect and Epiphany Cardioserver	Midmark Connect = Midmark Cardioserver = Epiphany
eFax	Rightfax	Open Text
Electronical Medical Record (EMR)	Epic	
Email protection	Avanon	
Emergency Department Information Exchange (EDIE)	Collective Medical	
Endpoint Detection	Windows Defender, Carbon Black	
Enterprise Resource Planning (ERP)	Peoplesoft	Oracle America

IT Systems, Continued

Function	Application	SHS Application Vendor
Epic Training	Jeeves	314e
e-prescribing	Surescripts Imprivata	
eSignature - web based	DocuSign	DocuSign
ESO HDE (EMS Health Data Exchange)	ESO HDE	ESO
Event Reporting System	RLDatix	RLDatix
Fetal Monitoring	OBIX Perinatal	OBIX Perinatal Data System
General Ledger	Axiom	
Hemodynamics	Merge Hemodynamics	Merative now owns Merge Hemo
HIE - Health information exchange*(no cmdb)	CareQuality through (Care everywhere)	
Holter and Event monitors	Sentinel - Holter, iRhythm - event	SpaceLabs Healthcare, iRhythm
Hospital coding encoder	3M 360 encompass	
Human Resources - Payroll	Kronos/PeopleSoft	PeopleSoft/Oracle, UKG
ICD Codes*	IMO	
Imaging Decision Support	CareSelect	N/A
Imaging Device - Cardiac Observation (IDCO) mgmt	ScottCare OneView	ScottCare
Infant Security	TotGuard	GuardRFID Solutions
Interface Engine	Cloverleaf	
Internet Protection	Zscaler	
IT Service Management (ITSM)	Ivanti Neurons	NETWORK CONSULTING SERVICES (NCSI)
IV Pumps	Baxter	CareEverywhere
Lab Instrument Middleware	Data Innovations Instrument Manager	Data Innovations
Learning	Symplr	Symplr
Medical necessity guidelines	Optum	
Medication dispense cabinets (ADS)	Omnicell Cloud	Omnicell
Medication Reference Information	Lexicomp	
Mobile Device Management	SHS AirWatch	VMWare
MultiFactor Authentication MFA	Microsoft	Microsoft
National Uniform Billing Committee (NUBC) content	Paper	
Nurse Call	Navicare, Ascom	Hillrom (owned by Baxter)
Nurse Call - Mobile	Vocera	Stryker - Vocera Communications
Operating System Licensing (M365)	Microsoft TEAMS	Microsoft
Oregon Immunization registry	Alert IIS	

IT Systems, Continued

Function	Application	SHS Application Vendor
PACS	Visage	Visage
Pathology	Valley Path	
Patient Education & Discharge	Elsevier	
Patient Satisfaction	Press Ganey	
Pharmacy Inventory System	Willow inventory	
Pharmacy Wholesaler	Cardinal Health	
Point of Sale	QuickCharge	
Point-of-care testing (POCT) middleware	QML Point of care & RALS	QML = Telcor
Policy Library	PolicyTech	
Prescription Adjudication	Change Healthcare, eRX	
Prescription AR	Epic	
Prescription Drug Monitoring Program (PDMP)	Apprise/Bamboo Health PDMP	
Quality Reporting	Vizient	
Real Time Eligibility 270/271	Passport & direct connect with SHPO	
Patient Real time text messaging and automated reminders	Housecalls pro	TeleVox
Reference Lab	ARUP	ARUP Laboratories
Remote Deployment	Citrix	CDW
Sleep Center Software	Sleepware G3 / Natus	Philips Respironics
Staff Scheduling	Kronos, QGenda	UKG, Qgenda
Statement & Letter printing mailing vendor	RevSpring	
Stress EKG	GE Case integrated with Epiphany Cardioserver	
Systemized Nomenclature of Medicine	IMO SNOMED	
Tap to Login - Single Sign on	Imprivata	CDW
Telemetry (Inpatient)	PiicIX integrated with Philips IBE	
Telemetry (Outpatient) [Cardiac rehab]	Versacare	ScottCare
Temp Monitoring	ViewPoint	MesaLabs
Timekeeping	Kronos	UKG
Transcription	Powerscribe	Nuance
Understand PC and Mobile replacements needed	Unknown	N/A
Utilization Review software	MCG Indicia	MCG Health