

April 8, 2025



Samaritan
Health Services

SELECTION STEERING COMMITTEE KICKOFF

CONFIDENTIAL



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1. SELECTION STEERING COMMITTEE

SELECTION STEERING COMMITTEE *charter*

Committee Functions:

- Review first round proposals and recommend direction/finalists
- Participate in partner site visits
- Reverse due diligence travel
- Review refined proposals and recommend direction/partner
- Available to convene on ad hoc basis

Committee Members:

Leadership	Board
Doug Boysen – President & Chief Executive Officer	Randy Springer – Board Chair
Larissa Balzer – VP of Strategy and Planning	June Chrisman – Chair Elect
Bruce Butler – SVP, CEO, Samaritan Health Plans	Rick Kenyon – Board Member
Marty Cahill – SVP & Chief Operating Officer	Milt Moran – Board Member
Tyler Jacobsen – VP & Chief Legal Officer	Nancy Seifert – Past Chair
Sy Johnson – CEO, GSRMC	
Kelley Kaiser – SVP & Chief Administrative Officer	
Sonney Sapra – SVP & Chief Information Officer	
Kimberly Schauer, VP of Marketing & Communications	
Dan Smith – SVP & Chief Financial Officer	
Robert Turngren, MD – SVP & Chief Physician Executive	



2. INTERVIEWS AND PARTNERSHIP OBJECTIVES

INTERVIEW PARTICIPANTS

Leadership	Board
Larissa Balzer – VP of Strategy and Planning	Bob Adams, Secretary
Doug Boysen – President & Chief Executive Officer	Ralph Breitenstein, MD, Board Member
Bruce Butler – SVP, CEO, Samaritan Health Plans	June Chrisman, Treasurer
Marty Cahill – SVP & Chief Operating Officer	Kelly Gallagher, Board Member
Kelley Kaiser – SVP & Chief Administrative Officer	Troy Garrett, Board Member
Dan Smith – SVP & Chief Financial Officer	Rick Kenyon, Board Member
Sonney Sapra – SVP & Chief Information Officer	Milt Moran, Past Chair
Robert Turngren, MD – SVP & Chief Physician Executive	Charlie Mouradian, Board Member
	Stuart Pritchard, Board Member
	Loren Roth, Board Member
	Nancy Seifert, Past Chair
	Randy Springer, Board Chair
	Eric Thompson, Board Member

INTERVIEWS

- Purpose of interviews:
 - Develop Samaritan's partnership objectives
 - Obtain deeper understanding of Samaritan's history and culture
 - Identify areas of need
 - Provides opportunity to air views which may be difficult to raise in a group setting
 - Solicit feedback and answer any questions regarding process and approach

- General comments:
 - Everyone was very open, engaged and thoughtful
 - Shared view that timing is right for Samaritan to explore its alternatives
 - Samaritan's historic and continued commitment to underserved came through clearly
 - Range of operating, financial, patient-service, and other opportunities identified

INTERVIEW THEMES

- Commitment to the institution:
 - History and legacy
 - Facilities and communities coming together to improve care and access
 - Commitment to underserved, most notably answering the call around Medicaid
 - Slow transition from siloed communities to integrated Samaritan
 - Exceptional healthcare delivery across the Willamette Valley and Central Coast
 - Health plan challenges with corresponding desire to maintain access
- Near-term financial challenges recognized, but timing of process driven by aspirational desire to put Samaritan on strongest footing possible for future:
 - Support for hospital operations
 - Address declining market share and increasing sophistication of competitors
 - Need for a new GSRMC campus
- Threats to Samaritan include:
 - Undersized, Medicaid-heavy health plan
 - Continued outmigration to Salem, Portland and Eugene for services that Samaritan offers
 - Industry headwinds

PARTNERSHIP OBJECTIVES *translating feedback from key stakeholders*

Based on interviews with SHS Board members, physicians, and leadership, Juniper compiled the below list of key objectives:

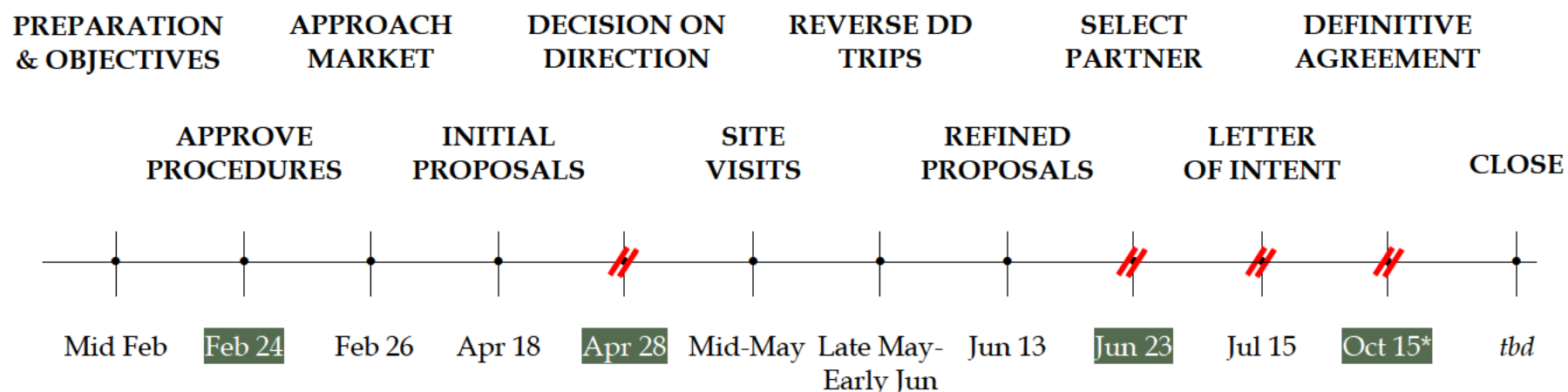
- Grow Samaritan's preeminent position as the regional provider, clinical partner, and employer of choice
- Optimize Samaritan's clinical and system integration to support high value care through access to innovative resources
- Implement an efficient and effective governance structure that supports Samaritan's ability to operate fluidly and make decisions based on what is best for the community
- Expand access, improve quality, promote health equity and reduce the cost of healthcare for all residents of the region
- Sustain a strong culture that allows Samaritan to maintain its operations and build on its proven ability to meet the needs of the community
- Meet Samaritan's near-term capital needs, particularly related to the Corvallis campus and health plan infrastructure



3. REVIEW PROCESS AND KEY PROCEDURES

PRELIMINARY TIMELINE *overall approach*

Implementing a competitive process is central to achieving the Board's objectives and securing regulatory approval



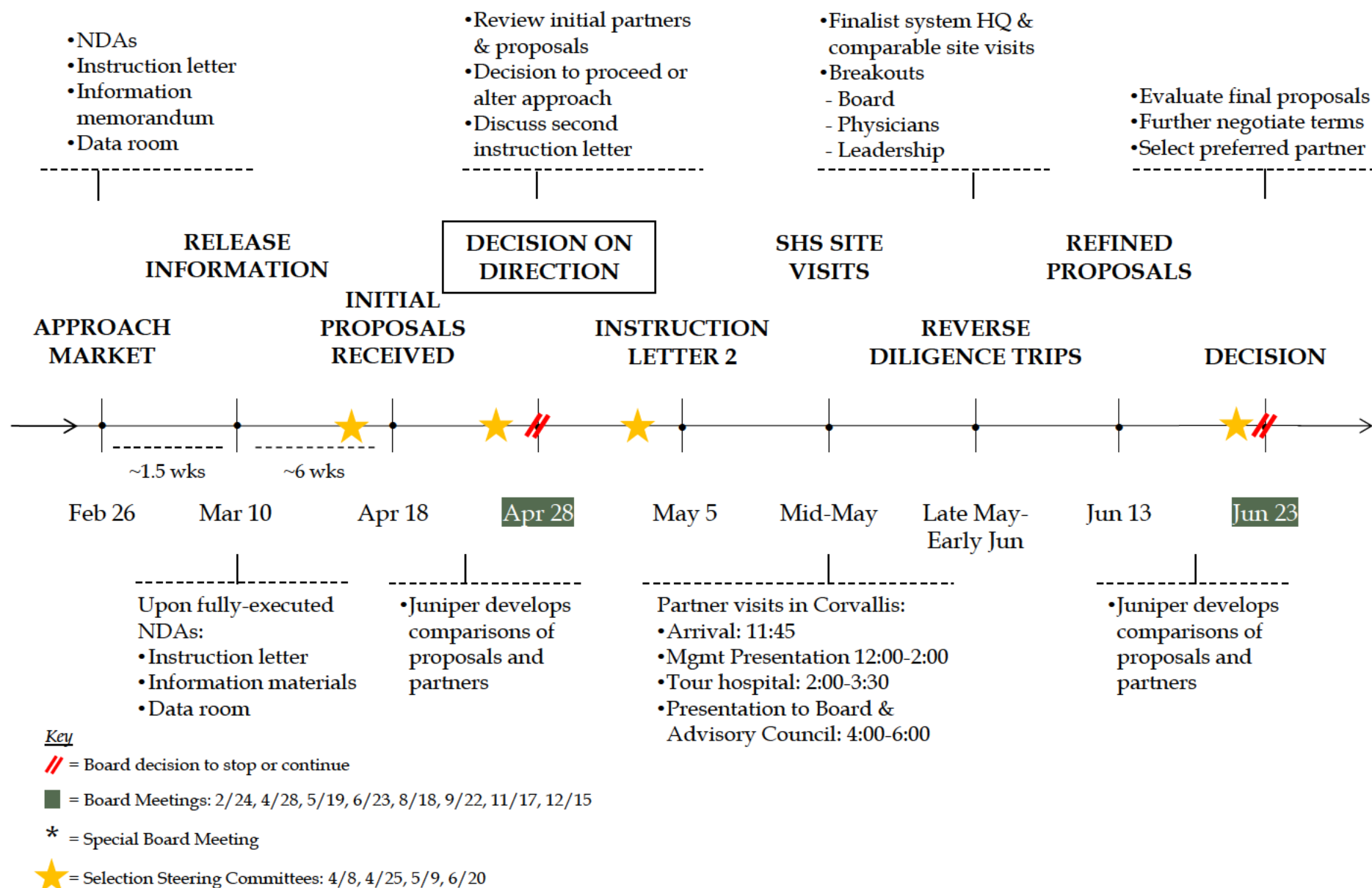
Key

// = Board decision to stop or continue

■ = Board Meetings: 2/24, 4/28, 5/19, 6/23, 8/18, 9/22, 11/17, 12/15

* = Special Board Meeting

TIMELINE *market input*



PROCESS PARTICIPANTS *goals and approach*

GOALS	APPROACH
<ul style="list-style-type: none"> ▪ Solicit interest from a group of companies that will present a range of strategic options for the board members to consider <ul style="list-style-type: none"> – Forming a sufficiently broad basis of comparison is crucial to making a sound, well-informed decision ▪ Satisfy internal and external stakeholders <ul style="list-style-type: none"> – Employees – Physicians – Community members – Competitors – Regulators ▪ Comprehensive approach to the market typically obviates need for fairness opinion ▪ Minimize any competitive disruption 	<ul style="list-style-type: none"> ▪ Engage with a diverse mix of 35+ healthcare systems to ensure thorough outreach <ul style="list-style-type: none"> – Not-for-profit – Academic medical centers – Integrated delivery networks – Tax-paying & investor-owned – Faith-based systems – Public organizations ▪ Local, regional, and national opportunities <ul style="list-style-type: none"> – Regional synergies and national expertise ▪ Tailored to balance key attributes: financial stability, operational expertise, and mission alignment ▪ Broad, credible range of options to meet the board’s objectives and inform decision-making

PROCESS TO DATE

- Process design
 - Proactive assessment of strategic alternatives
 - Maximize board objectives
 - Minimize operating disruption
 - Satisfy state and federal requirements
- Phase 1 - - marketing
 - Thorough, expeditious, but flexible
 - Comprehensive set of potential partners considered
 - All capable and qualified partners afforded equal opportunity
- Competitive and “fair” approach to market
 - Confidentiality agreement
 - Instruction letter, information memorandum, data room
 - Uniform phase one due diligence materials
- Approached the market on February 27
 - 38 companies approached
 - 18 confidentiality agreements
 - Over 100 data room participants
 - 70+ submitted supplemental data requests
 - 18 calls with Juniper

PARTNER LIST *interested*

[illegible]

Source: Definitive Healthcare, FY23-FY24 audited financial statements, FY23 10-Ks

Notes:

1. FY24 audited financial statements.
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

PARTNER LIST *passed*

[illegible]

Source: Definitive Healthcare, FY23-FY24 audited financial statements, FY23 10-Ks

Notes:

1. FY24 audited financial statements.
2. _____
3. _____
4. _____
5. _____

SUMMARY OF CALLS TO DATE

[illegible]

MARKET INTEREST

- Summary
 - Mixed interest from a broad range of potential partners
 - Variety of partners, assets, structures, and forms consideration
- *Positive* regarding interest
 - History, brand, reputation all very attractive
 - Integrated system with mature health plan
 - Well-established presence in region
 - Academic relationships
- *Negative* regarding interest
 - Political and regulatory environment in OR
 - SHS geography not a fit
- Other feedback from parties that declined to propose
 - Does not align with system strategy
 - Timing issue

MARKET RESPONSE TEMPLATE *proposals to be received*

<u>System</u>	<u>Whole Entity</u>	<u>Provider Entity Only</u>	<u>Notes</u>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
TOTAL			

PARTNER PROFILES

<i>(in millions, except members)</i>	 Samaritan Health Services	Partner A	Partner B	Partner C
Size <ul style="list-style-type: none"> • Members • Staffed Beds • Assets • Net Patient Revenue • Premium Revenue • Other Revenue • Total Revenue Profitability <ul style="list-style-type: none"> • EBITDA • EBITDA Margin Credit Profile <ul style="list-style-type: none"> • Debt Rating • Debt to Capital • Debt to EBITDA • Unrestricted Liquidity • Days Cash on Hand • Cash to Debt Capital Spending <ul style="list-style-type: none"> • Capital Spending • Avg. Age of Plant Quality Juniper Comments				

COMPARISON OF PROPOSALS *non-financial terms*

	Partner A	Partner B	Partner C
Structure			
Governance			
IT Integration			
Samaritan Brand			
Commitment to Retain Staff			
Prohibition on Re-sale			
Timeline to Closing			
External Advisors			
Other			

COMPARISON OF PROPOSALS *financial terms*

	Partner A	Partner B	Partner C
Structure			
Purchase Price			
+ Capital commitments			
+ Liabilities assumed <i>by partner</i>			
Financial Consideration			



4. NEXT STEPS

UPCOMING KEY DATES *Selection Steering Committee*

- **Today** – Review Committee charter, objectives, procedures and partner list
- **April 25** – Selection Steering Committee meeting to review initial proposals and recommend direction/finalists; prepare for April 28 Board meeting
- **April 28** – Board decision on direction
- **Mid May** – Finalists visit Corvallis to meet with management, tour facilities and present to the Board
- **Late May – Early June** – Selection Steering Committee (subset) to visit finalists' headquarters and comparable hospitals; participate in breakout sessions with peers (Board members, physicians, management)
- **June 18** – Selection Steering Committee meeting to review finalist proposals and recommend direction/partner; prepare for June 23 Board meeting
- **June 23** – Board decision to select direction/preferred partner

DUE DILIGENCE SITE VISITS *sample schedule*

SHS to update site visit agendas accordingly with logistics: directions, attendees, times, meeting space, etc.

SHS Site Visits	
May 21-23, 27-30 (TBD)	
Meet in main lobby	11:45am
- Partner, SHS, Juniper	
Management presentation	12:00-2:00pm
- Partner, Management, Juniper	
- Lunch catered	
Tour of facility	2:00-3:30pm
- Partner, Management, Juniper, facilities engineer	
Break and reception	3:30-4:00pm
Partner presentation to SHS Board/Management	4:00-6:00pm
- Focus on history of their company & vision for SHS	
- Q&A	
Adjourn	6:00pm

Reverse Due Diligence Trips
May 27-30, June 2-4, June 13, 16-17 (TBD)
Finalist #1
- Headquarters
- Similarly situated hospital in finalist system
Finalist #2
- Headquarters
- Similarly situated hospital in finalist system
Finalist #3
- Headquarters
- Similarly situated hospital in finalist system