



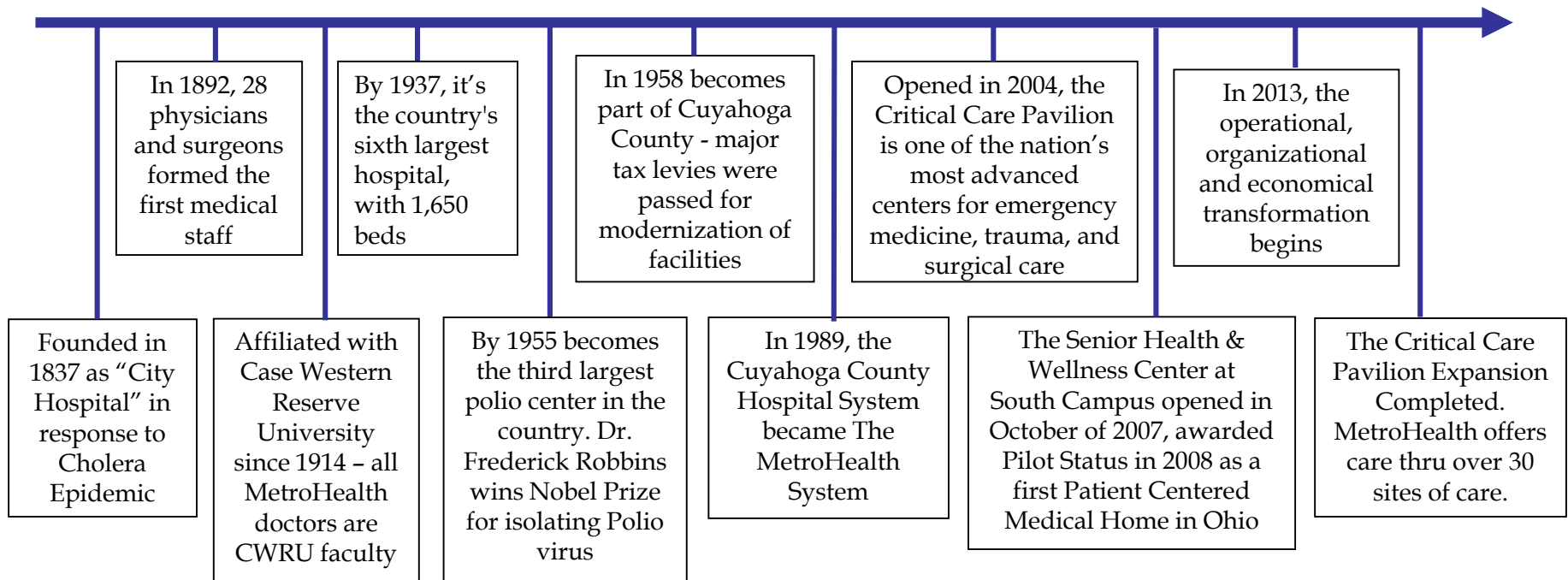
The MetroHealth System

Campus Transformation

March 2017

The MetroHealth System is a High-Quality, Vertically Integrated Academic Medical Center

The MetroHealth System's Timeline



The County's Only Verified Level I Adult Trauma Center and Adult/Pediatric Burn Center

- Essential health system for Cuyahoga County in Northeast Ohio
- Primary teaching hospital for Case Western Reserve Medical School
- Designated by CDC as the only Ebola Treatment Center in Ohio
- Founding member of the Northern Ohio Trauma System, NOTS, a partnership with the Cleveland Clinic, surrounding hospitals, and local governments
- Key operating statistics:
 - Over 1 million patient visits annually 2012-2016
 - 120,000 Emergency Department visits in 2016
 - 7,388 employees
 - School Health provides a doctor for care of students at 13 CMSD schools
 - Medical Home for Children in Foster Care saw 2,571 visits in 2016



The MetroHealth System is an integrated health care system providing a broad range of services including inpatient and outpatient care, emergency services, long-term nursing care, rehabilitation, and primary care and specialty care services delivered among 28 locations throughout northeast Ohio.

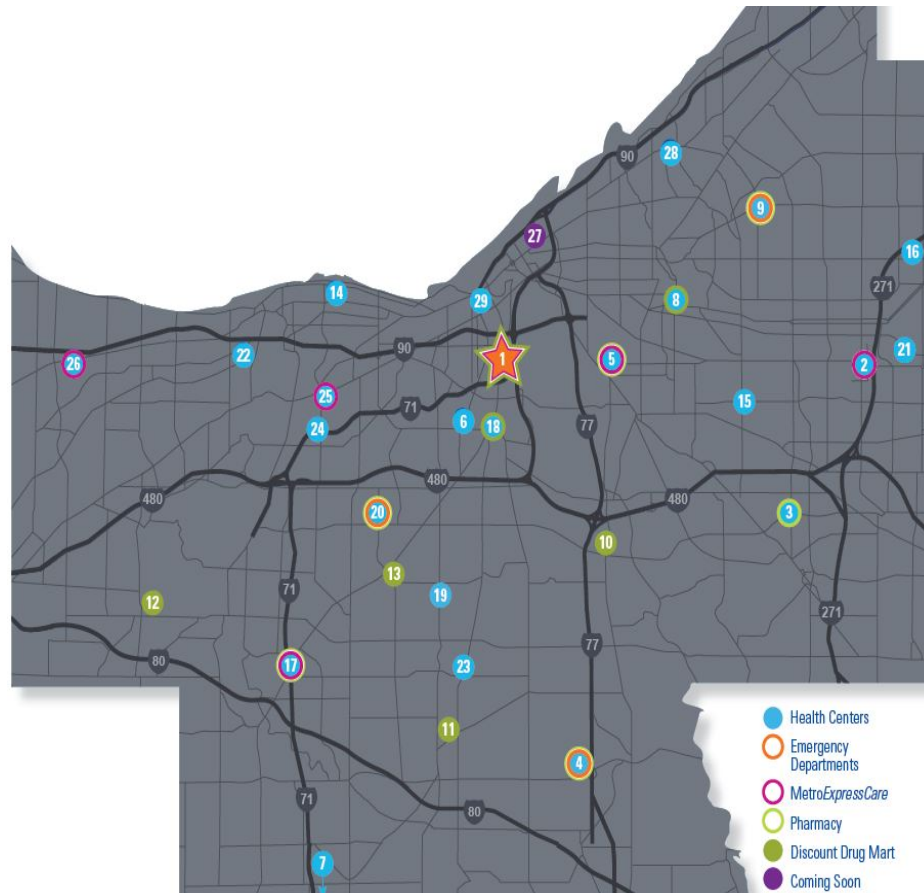
Journey to Serve Cuyahoga County Residents

Integrated Health Delivery System

2012

**88% of Population
within 10 min of MH
Outpatient Facility**

- 1 Inpatient facility
- 1 Emergency Dept.
- 20 Outpatient sites
- 3 Pharmacies
- NO DDR clinics
- 875,000 visits
- 180,000 unique patients

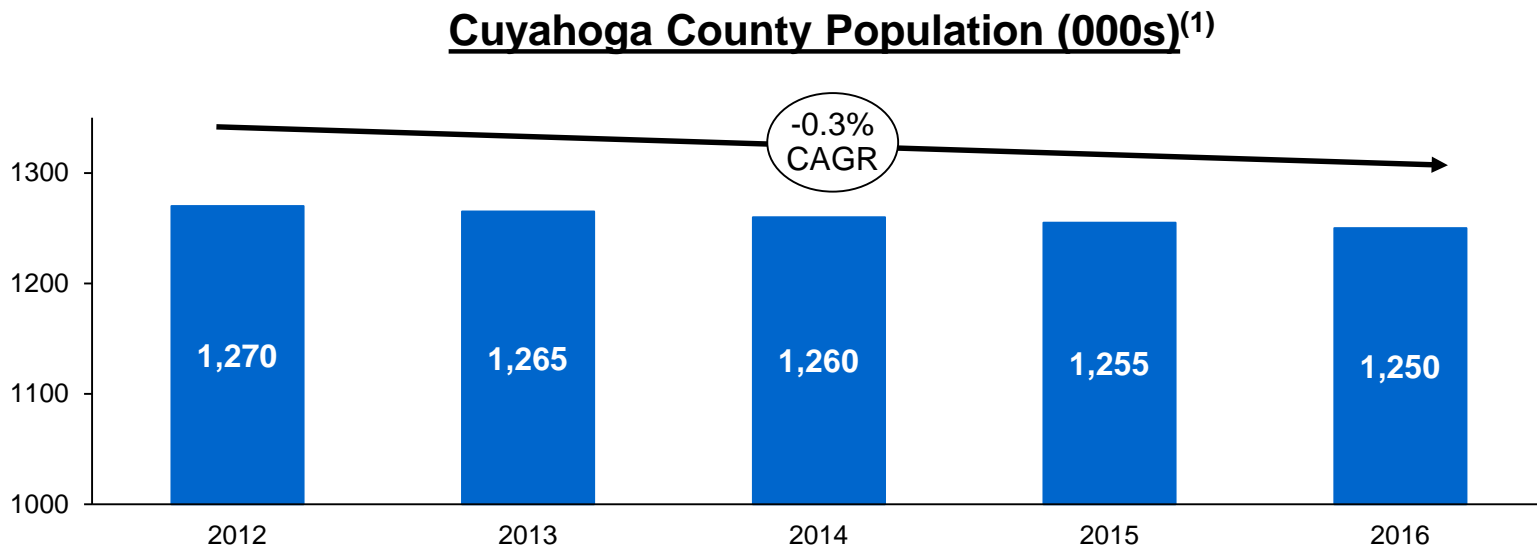
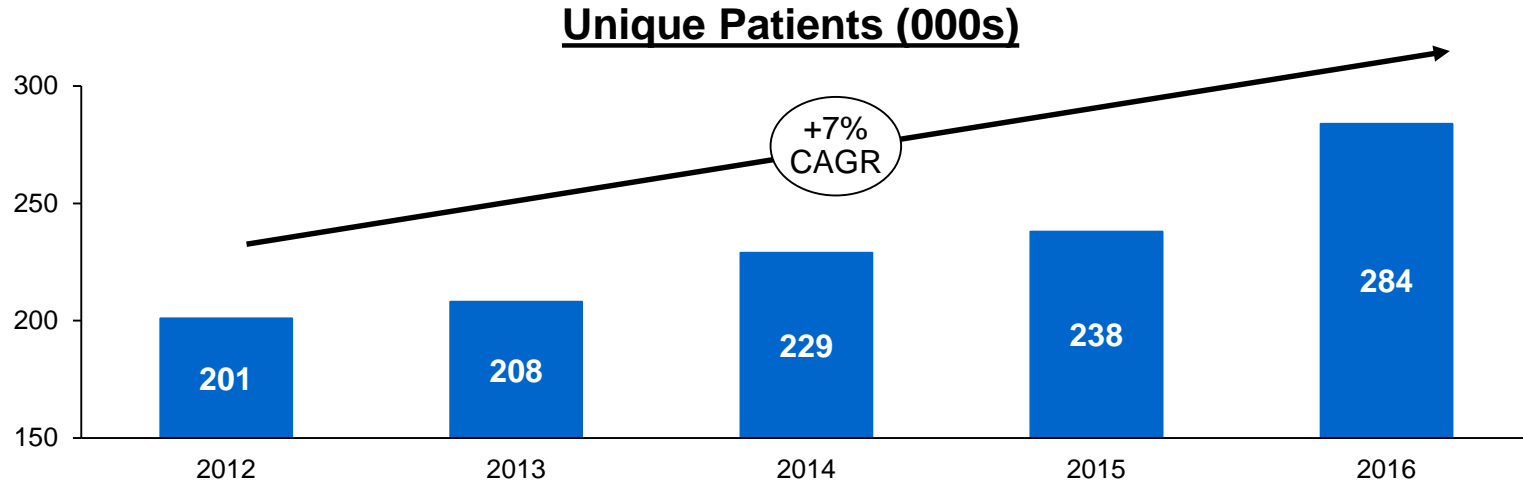


2017P

**97% of Population
within 10 min of MH
Outpatient Facility**

- 1 Inpatient facilities
- 4 Emergency Dept.
- 30 Outpatient sites
- 9 pharmacies.
- 5 DDR Clinics
- 1,300,000 visits
- 300,000 unique patients

MetroHealth's Patient Base has Rapidly Grown as a Result of Strategic Investments



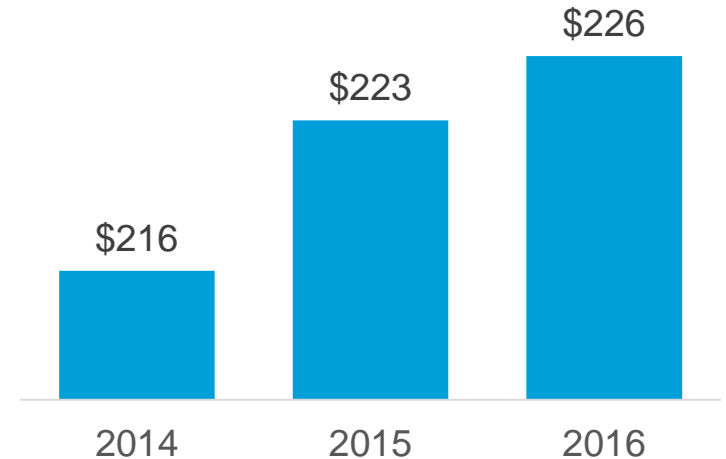
A Significant Community Benefit and Partnership all for a Healthier Community

2016 Community Benefit
\$226 Million

Portion of operating expenses that
goes **back into the community**



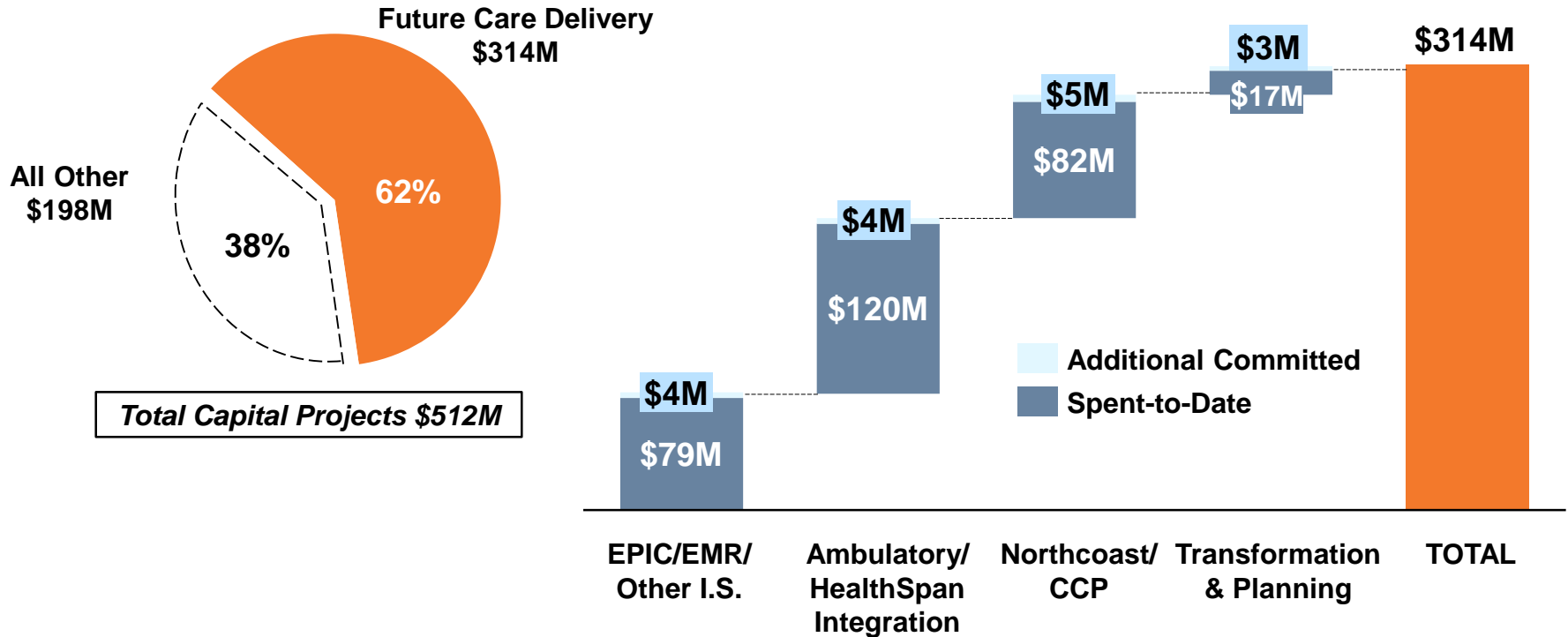
Strong growth and
commitment to the community



(1) From Ernst & Young 2014 Schedule H Benchmark Report for the American Hospital Association

MetroHealth Has Invested Heavily in Recent Years Toward the Future of Care Delivery

Total Capital Spending, 2005 to 2016



MetroHealth's Earned Distinctions & Accreditations



The American Heart Association and American Stroke Association recognize this hospital for achieving 85% or higher compliance with all Get With The Guidelines®-AFIB Achievement Measures for one calendar year to improve quality of patient care and outcomes.



The American Heart Association recognizes this hospital for achieving 85% or higher compliance with all Get With The Guidelines®-Heart Failure Achievement Measures and 75% or higher compliance with four or more Get With The Guidelines®-Heart Failure Quality Measures for two or more consecutive years to improve quality of patient care and outcomes.



MetroHealth's Transformation

Focus

Strategies and Tactics

Clinical Transformation

- Expand primary care network
- Evolve to integrated delivery system build on robust EMR backbone
- Robust care management and care transitions capabilities
- Integrate quality and financial metrics into risk-assumption platform

Operational Transformation

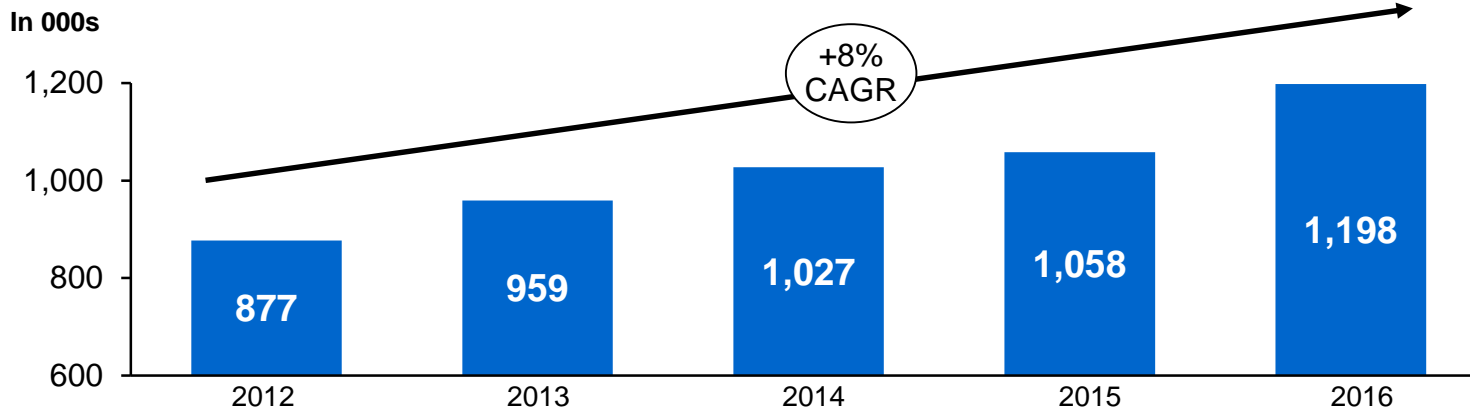
- Restructuring enterprise to service line model
- Implementing dyad model of management
- Build analytics and enterprise resource management
- Hardwire annual cost improvement into culture

Physical Transformation

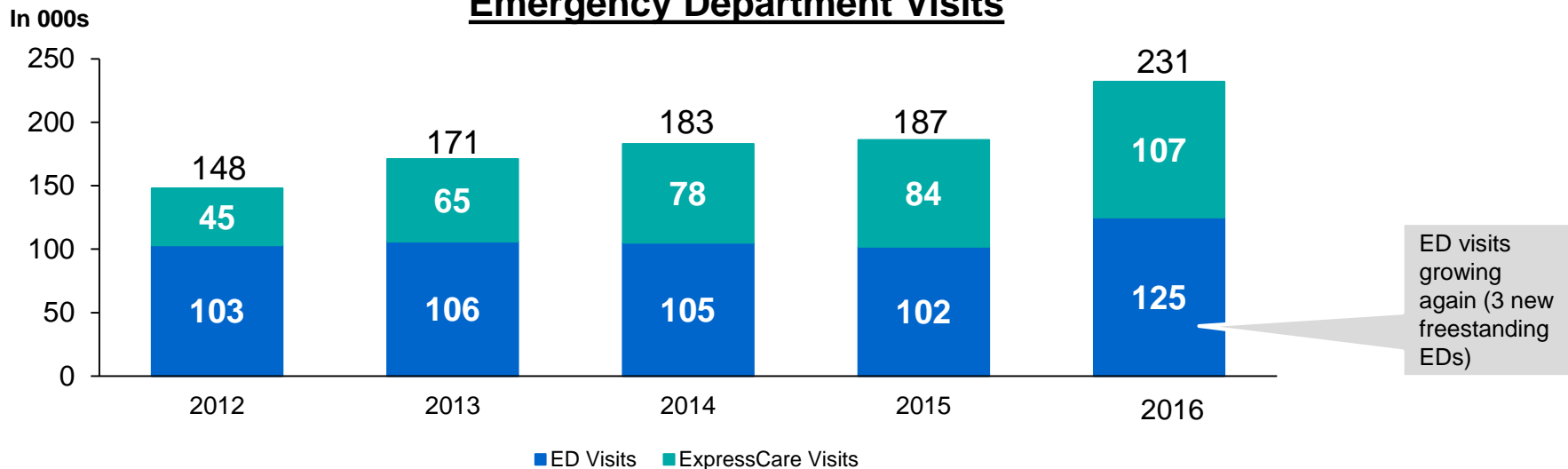
- Comprehensive anchor facilities geographically distributed
- Distributed ambulatory centers throughout Cuyahoga County
- Capital-light primary access facilities
- State-of-the-art main Campus

MetroHealth's Outpatient Volume Growth Has Outpaced the Market

Outpatient Visits

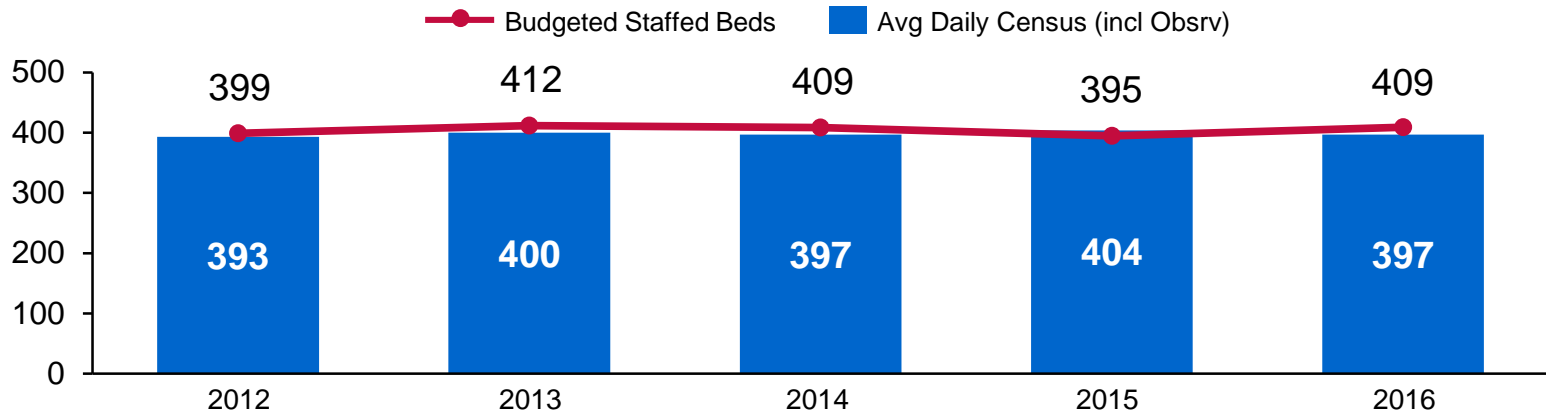


Emergency Department Visits

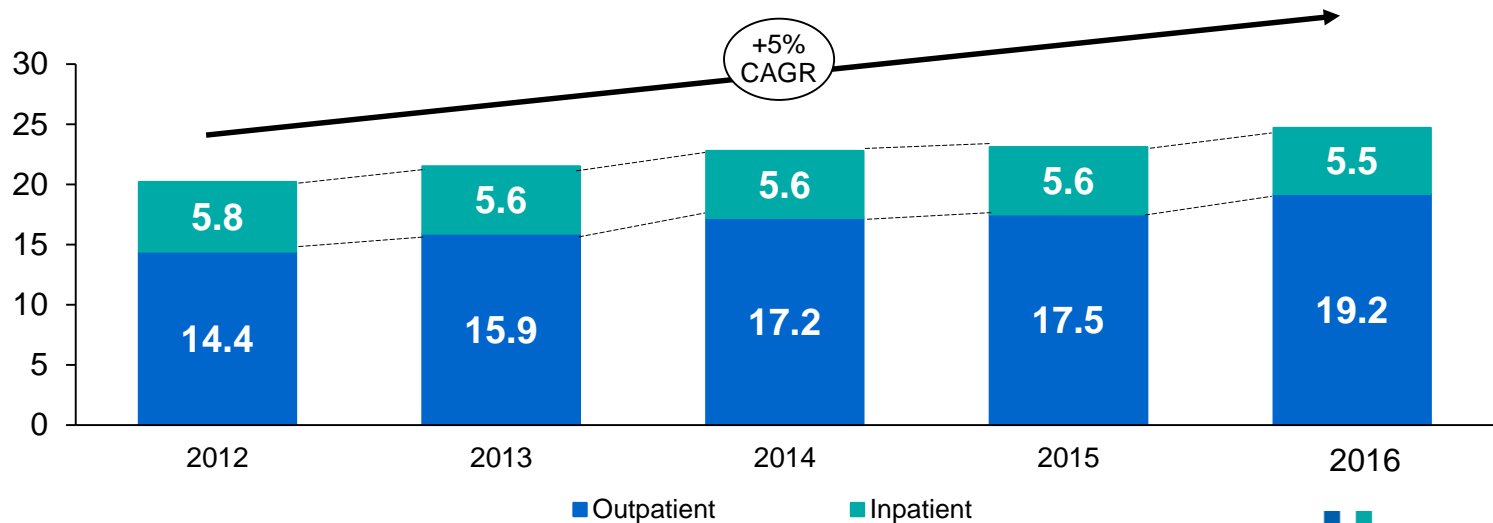


Overall Surgical Cases Continues to Expand and IP Occupancy has been Strong

Average Daily Census



Surgeries (000s)⁽¹⁾



MetroHealth Continues to Grow Market Share, Especially for Patients 65+

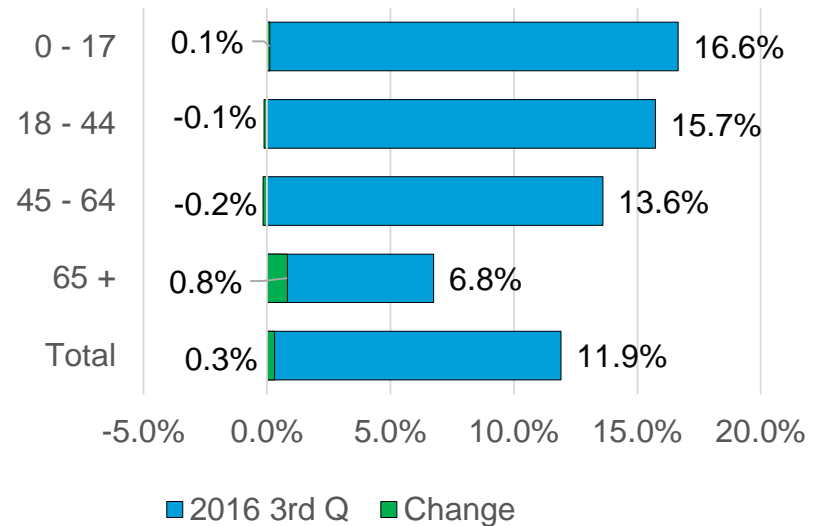
- MetroHealth outperformed the market with the 0-17 and 65+ groups
- The market saw declines across all age groups

- MetroHealth saw significant share growth in the 65+ age group, and showed some growth with the 0-17 group as well
- The 18-64 age range showed a slight decline in share

Volume % Change

Age Group	MH Change	Market Change
All Ages	-0.8%	-3.4%
0-17	-3.0%	-3.7%
18-44	-1.7%	-0.9%
45-64	-4.5%	-3.4%
65+	8.7%	-4.7%

MetroHealth Age Share and Change



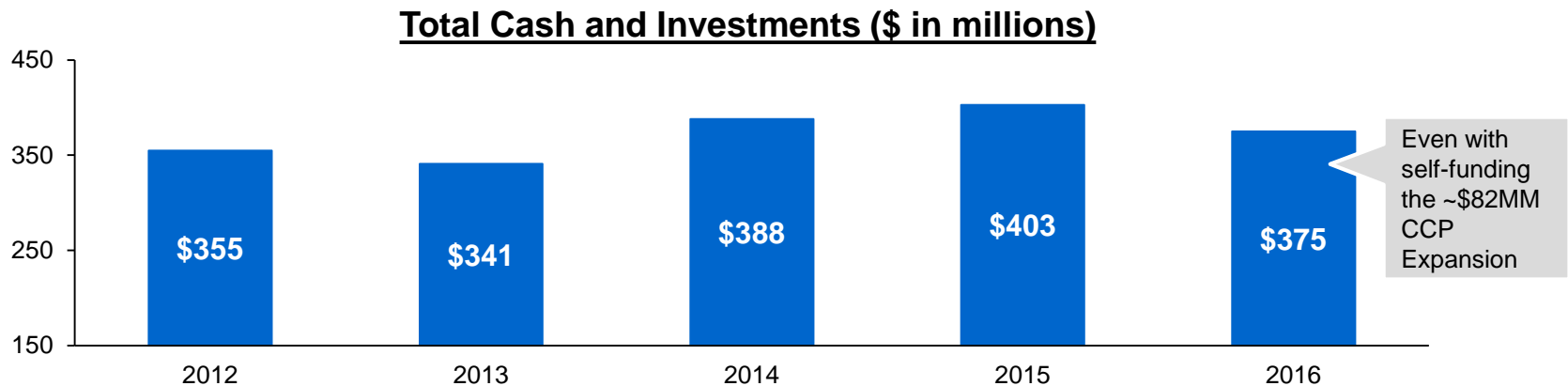
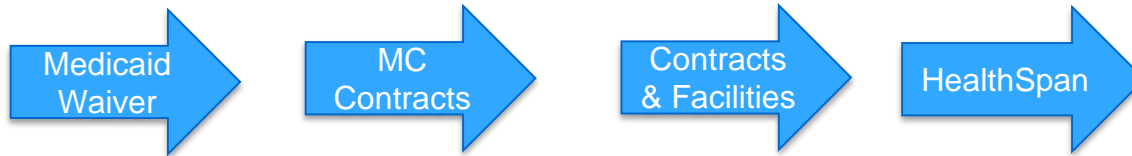
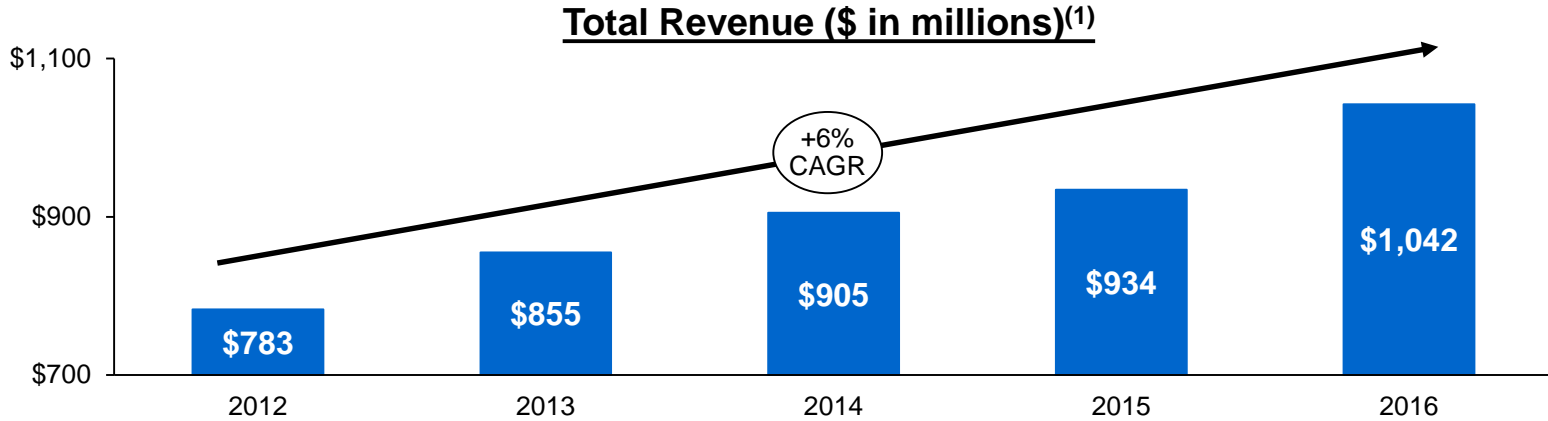
65+ Age Group Change by System

MetroHealth grew in a declining 65+ market

System	Volume % Change	Volume Change
Total Market	-4.7%	-2,484
MetroHealth	8.7%	275
CCHS	-6.1%	-1,568
UHHS	-4.7%	-1,038
St. Vincent	-9.4%	-126
Other	-3.7%	-27

- MetroHealth gained volume in the 65+ age group, while the other systems declined
- CCHS saw the largest volume losses in the 65+ age group. The Lakewood Hospital closure contributed to the losses
- Losses for CCHS and UHHS are also attributed to declines in the Specialty Care and Neuromusculoskeletal markets

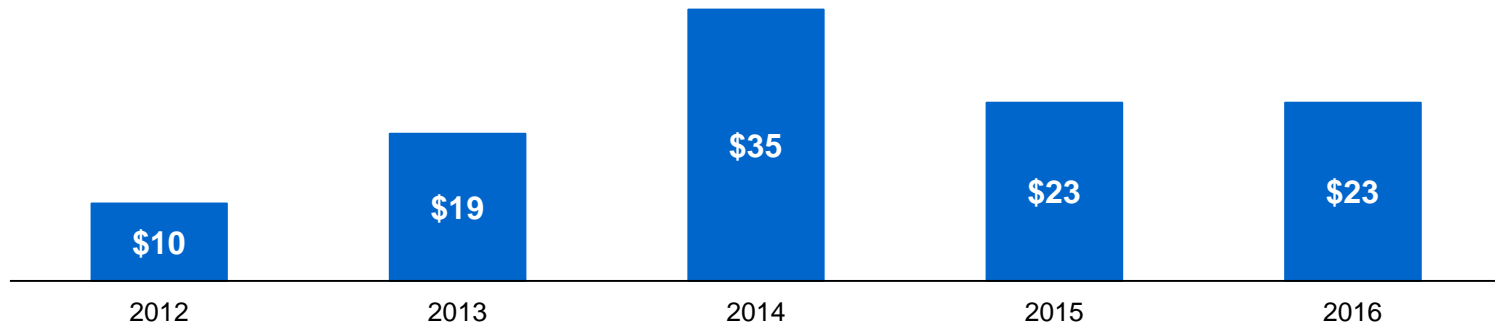
MetroHealth Continues to Expand its Top-Line, Demonstrating Effectiveness of Strategy



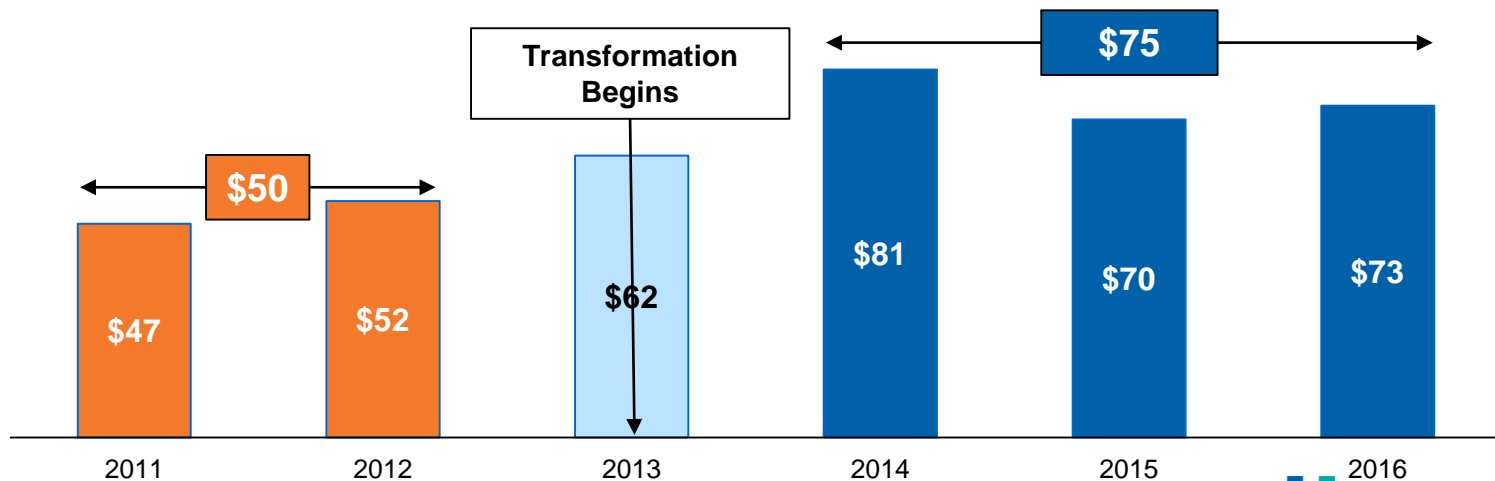
Note: County Appropriations for FY14, FY15, FY16, and Projected FY17 are \$40MM, \$40MM, \$32.4MM, and \$32.4MM, respectively.

Over the Last 5 years, MetroHealth has shown Improvements to Operating Income, Cash Flow

Adjusted Operating Income (\$ in millions)⁽¹⁾



Adjusted Operating Cash Flow / EBIDA (\$ in millions)⁽¹⁾



(1) The presentation of adjusted operating income and adjusted EBIDA (excludes non-recurring items and GASB 68 Pension)



Key Drivers for Success

MetroHealth will be a hub for **HEALTH AND WELLNESS** in the community.

MetroHealth will build **CONNECTIVITY** through meaningful relationships with people throughout the campus, neighborhood, city, and county.

MetroHealth will become a high **RELIABILITY** organization with consistent care.

MetroHealth will provide **LEADERSHIP** in care excellence.

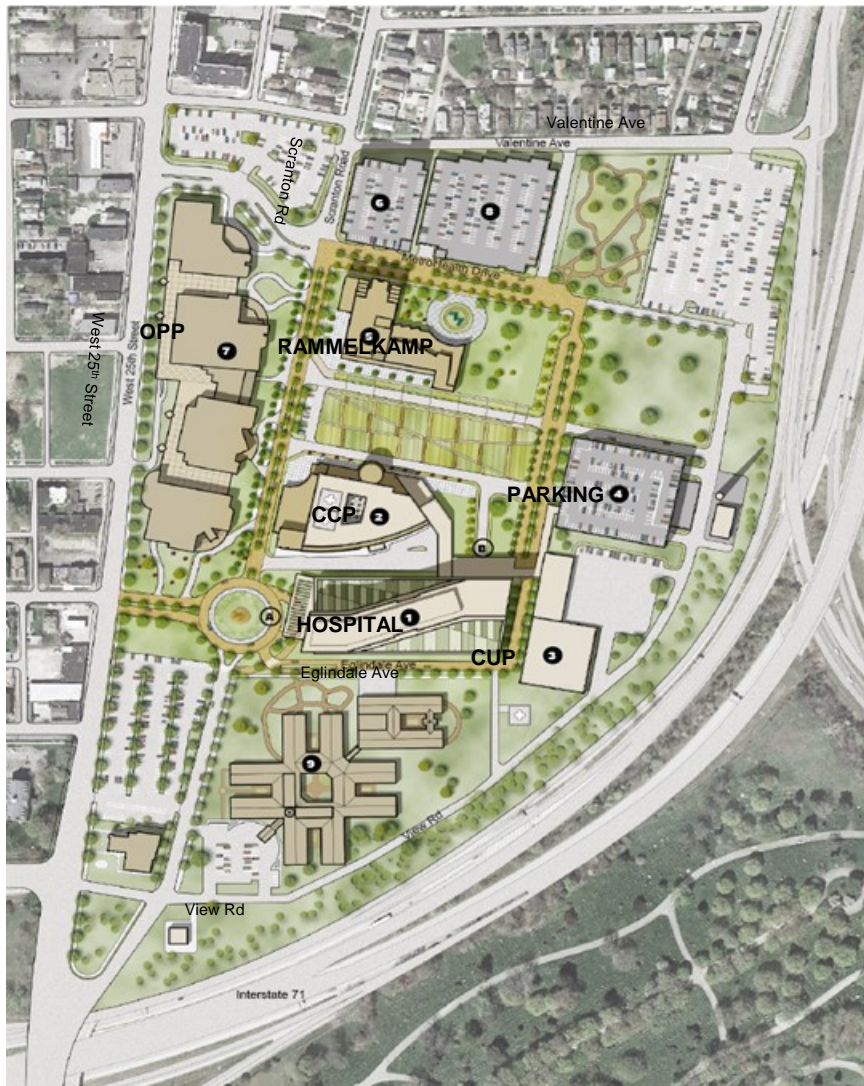
MetroHealth will focus on **EFFICIENCY** in all processes to better serve its patients and utilize its staff to seek continuous improvement.

Existing Main Campus



- ❶ EXISTING INPATIENT TOWERS
- ❷ CRITICAL CARE PAVILION
- ❸ RAMMELKAMP RESEARCH
- ❹ OUTPATIENT PAVILIONS (4)
- ❺ SOUTH GARAGE
- ❻ EXISTING POWER HOUSE
- ❼ PRENTISS CENTER

Master Plan



New D&T podium with bed tower above, connected to east corner of existing CCP at all levels

Maintain existing OPP, minimize departmental moves

New public green connecting new hospital to W. 25th Street

New parking deck at east edge to accommodate near and long term parking needs

- ❶ NEW HOSPITAL
- ❷ CRITICAL CARE PAVILION
- ❸ CUP/DOCK
- ❹ NEW GARAGE
- ❺ RAMMELKAMP
- ❻ VALENTINE GARAGE
- ❼ OUTPATIENT PAVILIONS
- ❽ NORTH GARAGE
- ❾ PRENTISS CENTER
- Ⓐ MAIN ENTRANCE
- Ⓑ WOMEN'S/CHILDREN'S ENTRANCE

New Hospital: Beds

NEW TOWER INPATIENT BEDS

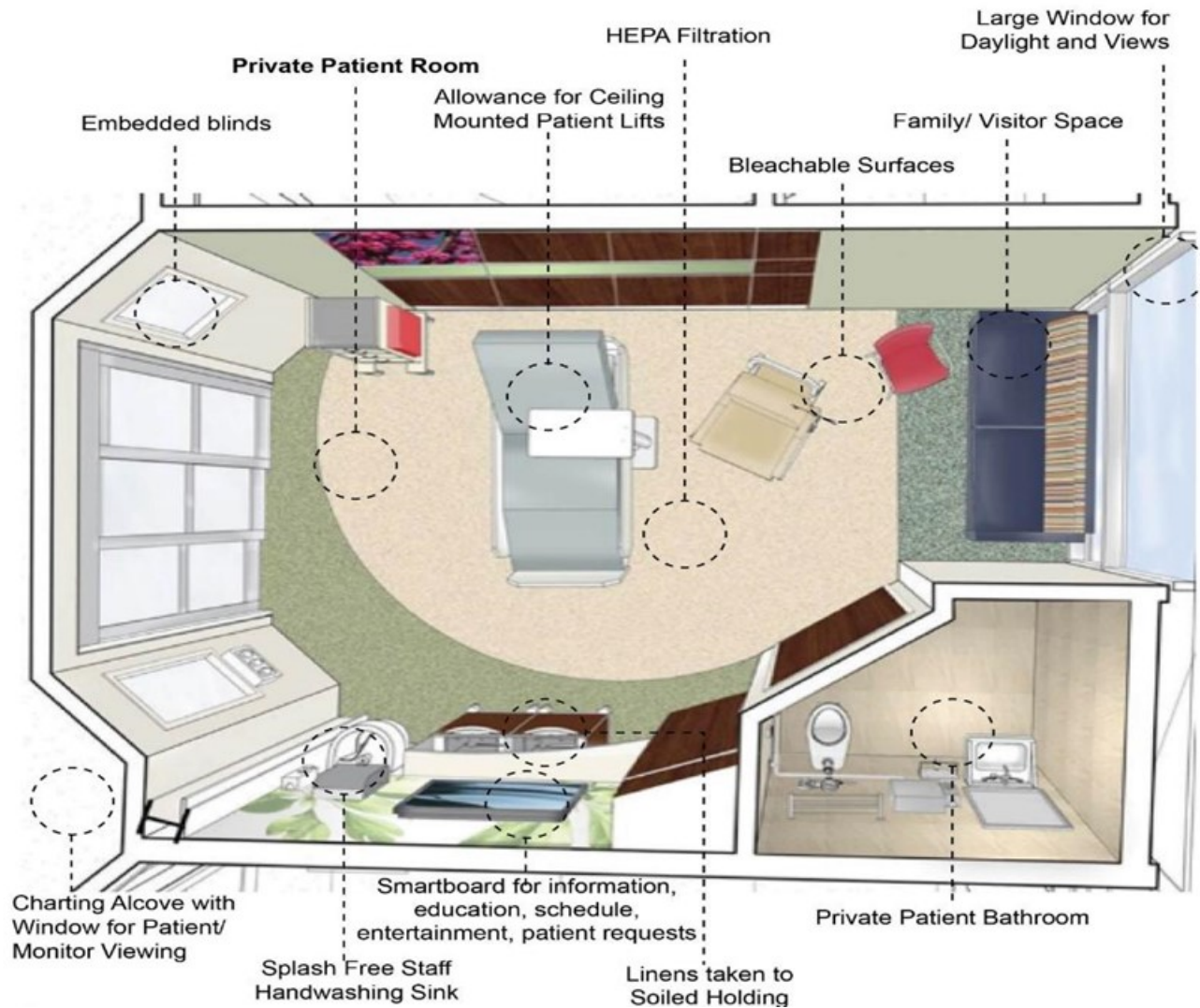
		CURRENT STAFFED BEDS
Adult Acute Care Beds	150	135 - 158
<i>Medical Acute Beds</i>	78	
<i>Oncology Beds</i>	12	
<i>Surgical Acute Beds</i>	30	
<i>Trauma Acute Beds</i>	8	
<i>Short Stay Beds</i>	22	
Perinatal Care Beds	96	75 - 110
<i>Antepartum Beds</i>	8	
<i>Obstetrics / Postpartum Beds</i>	20	
<i>Labor / Delivery / Recovery (LDR)</i>	10	
<i>C-Section</i>	3	
<i>Triage</i>	4	
<i>SCN Neonatal-1 Beds</i>	20	
<i>ICU Neonatal (NICU) Beds</i>	48	
Specialty Unit Beds	24	16 - 30
<i>Burn ICU / Acute Beds</i>	8	4 - 10
<i>Pediatric Acute Beds</i>	16	12 - 20
TOTAL	270	226-298

OTHER BEDS

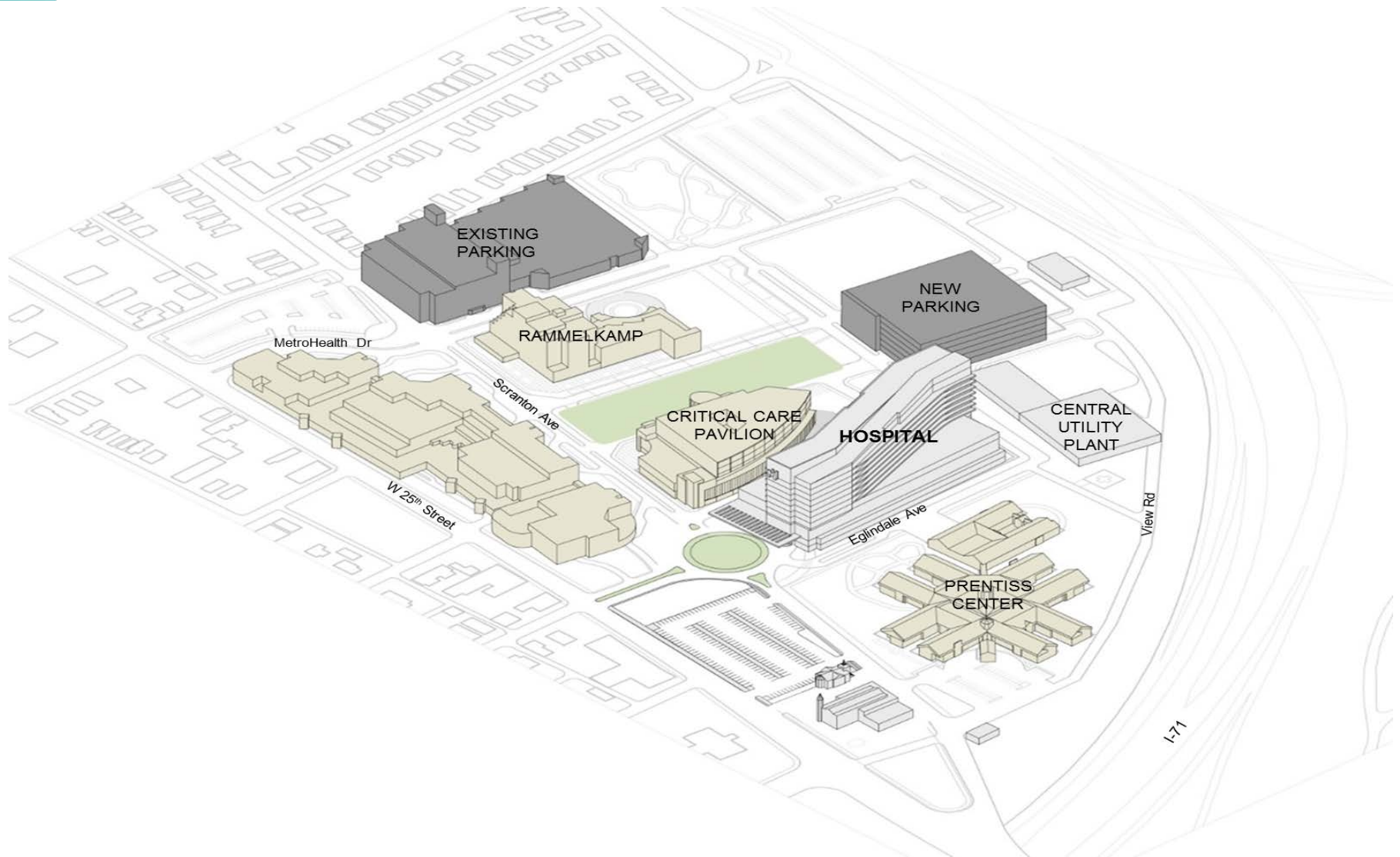
ICU Beds – 85
 Rehab – 40
 PICU – 10
 Psych – 20
 Other - 25

450 Beds

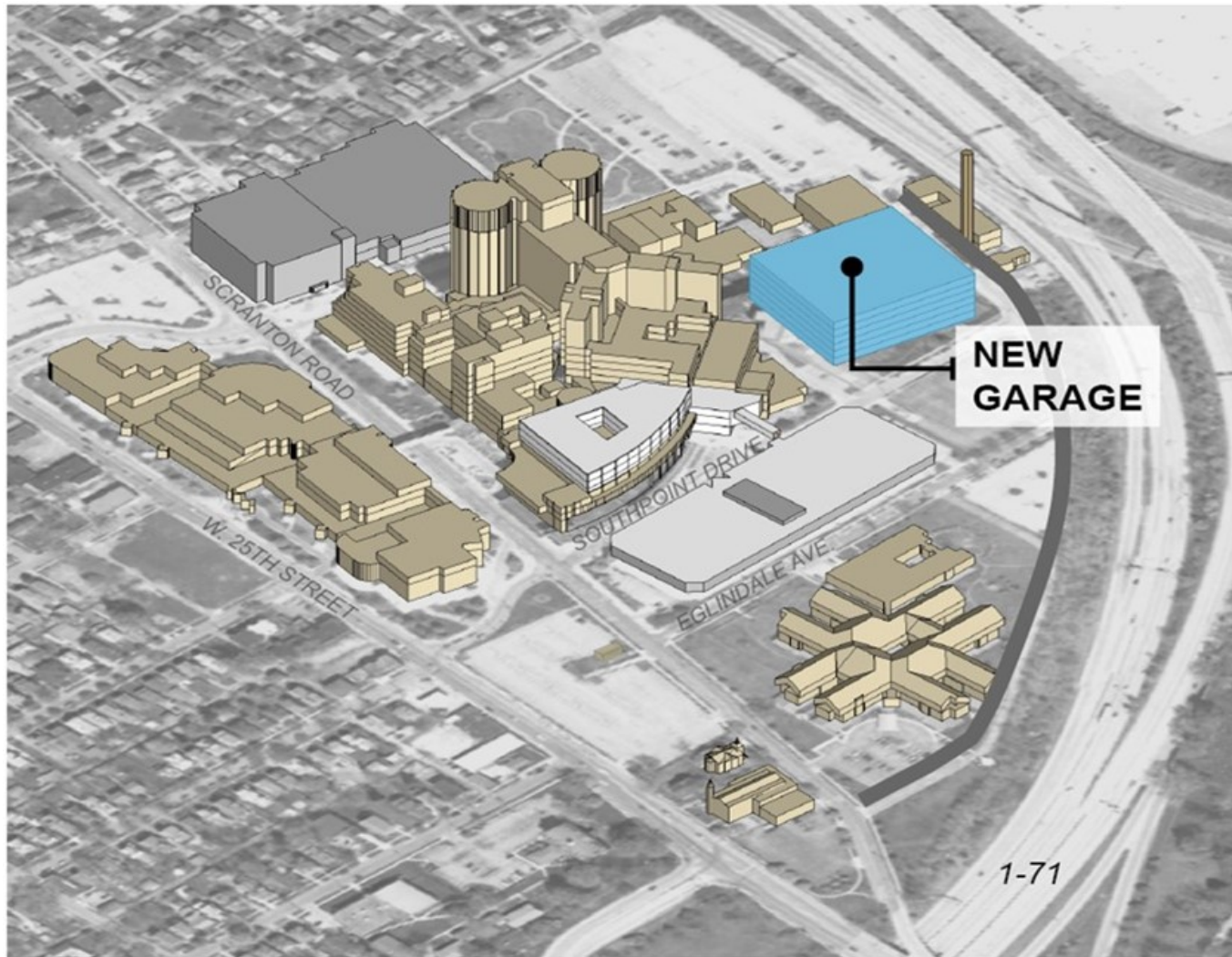
Patient Room Strategy



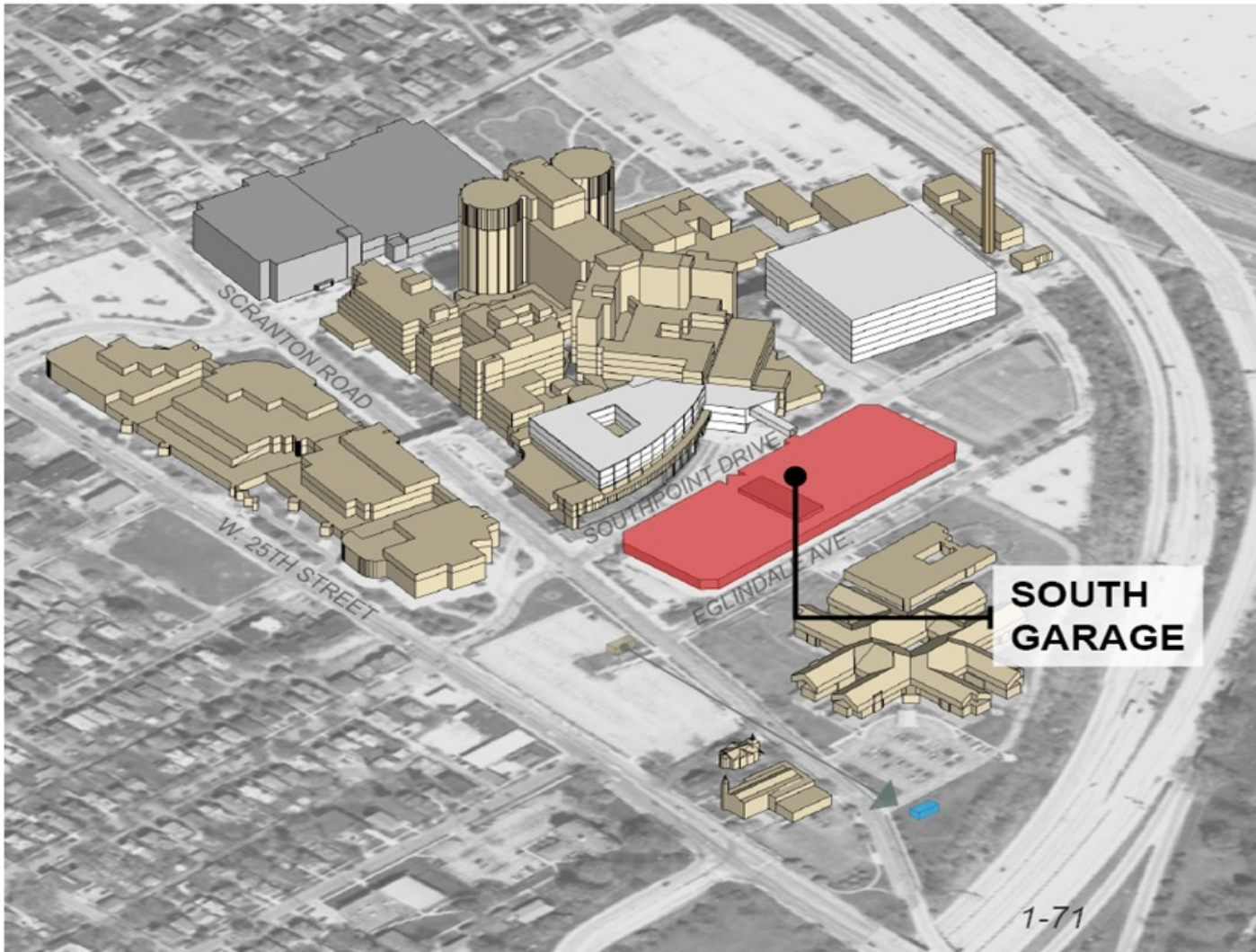
Main Campus Components



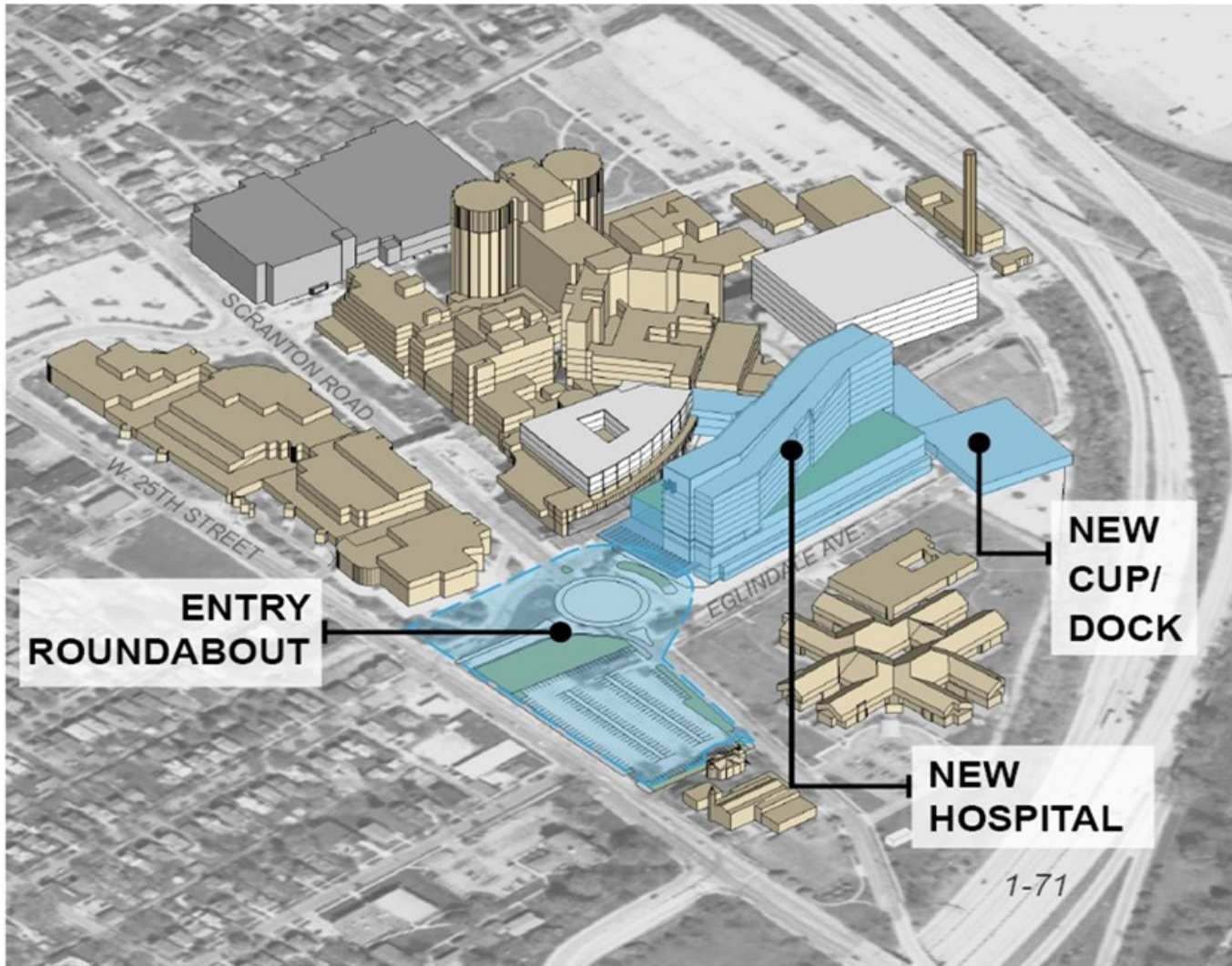
Step #1: Build New Garage



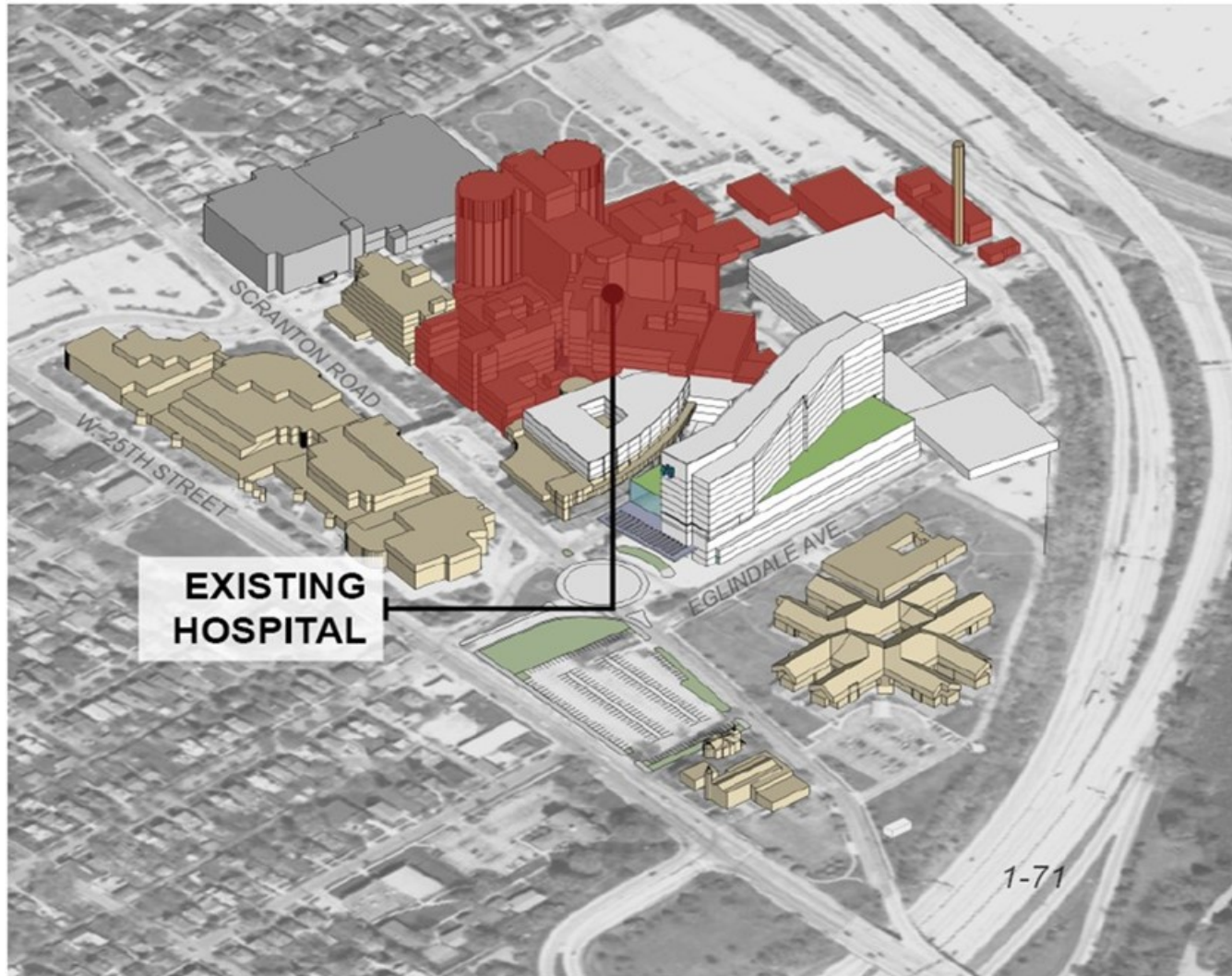
Step #2: Demo South Garage



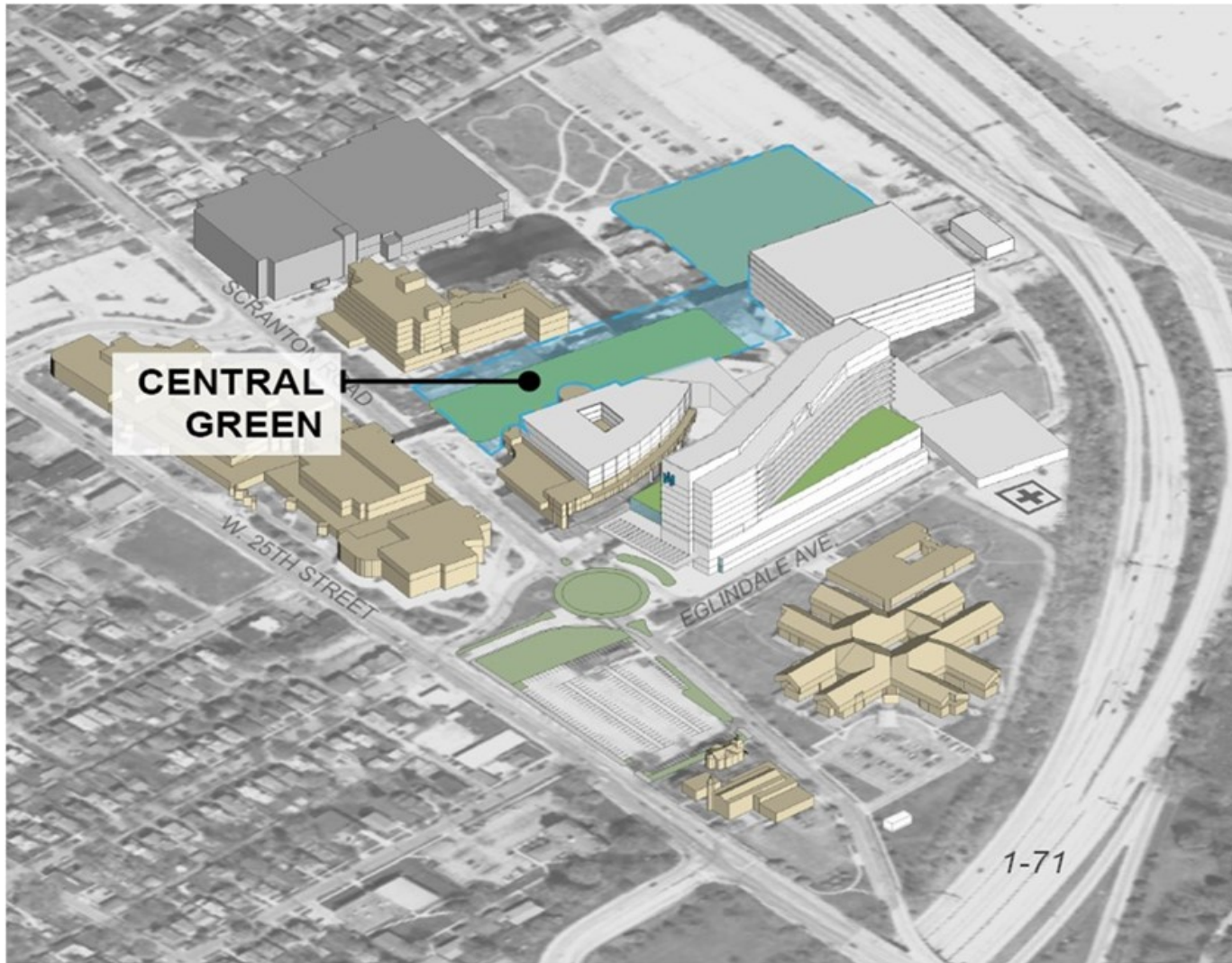
Step #3: Build New Hospital



Step #4: Demo Existing Hospital



Step #5: Build Central Green Space

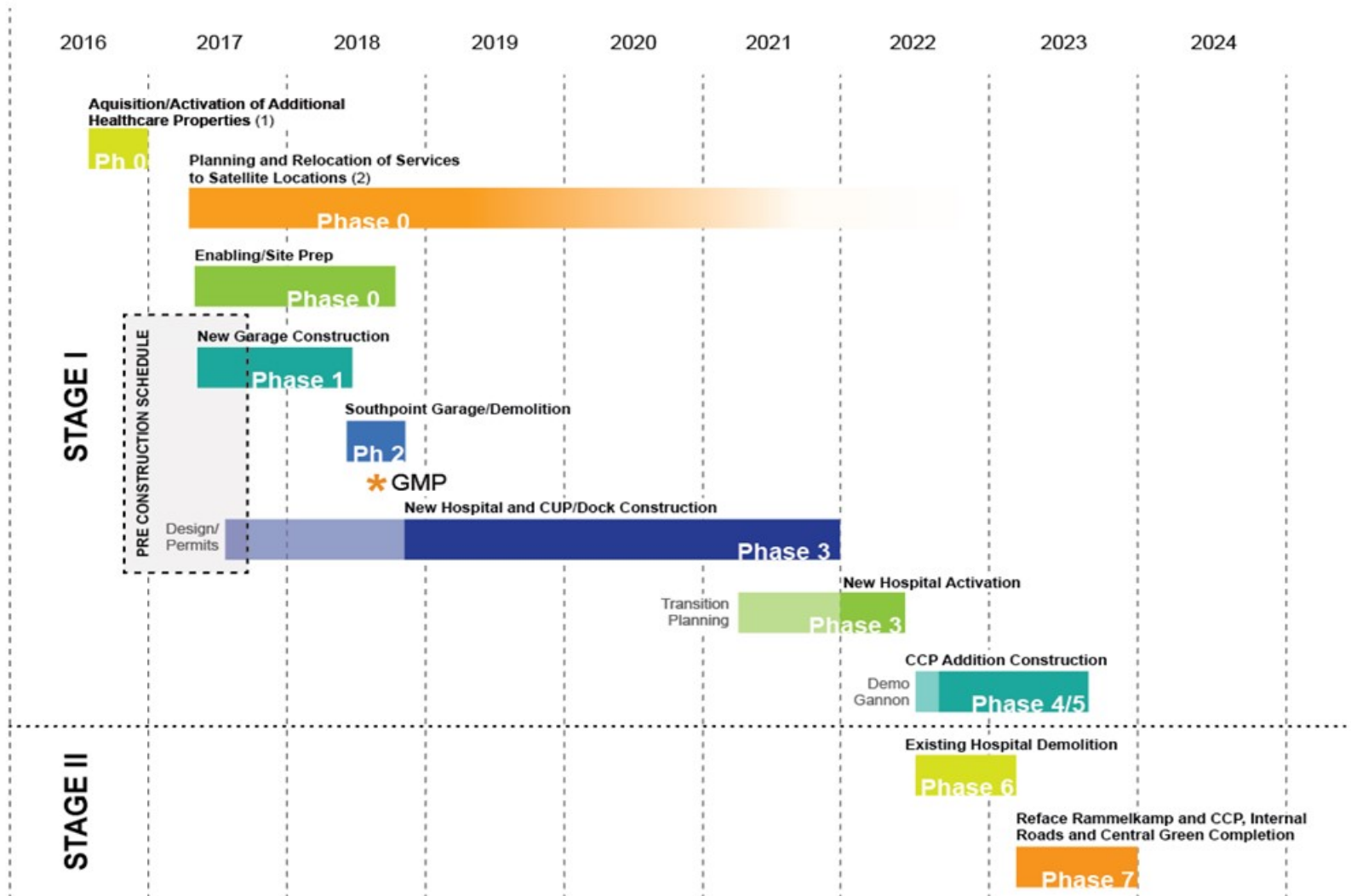




Campus Transformation Project

- Critical Care Pavilion Expansion - **completed**
- New Garage
- Old Garage Demo & Site Preparation
- Central Utilities Plant
- New Hospital
- New Road Development/Tunnels
- Outpatient Pavilion Renovation
- Command Center/Docks
- New Lab/Pharmacy Relocation
- Critical Care Pavilion Addition
- Hospital Demo & Reface Buildings
- Campus Internal Roads and Central Green
- Old Brooklyn Campus Renovations
- Other Smaller & Enabling projects/Site prep

Construction Schedule



(1) Recently Acquired Properties (RAPs)

(2) Distribution of Outpatient Services to satellites, centralization of MM, lab, pharmacy to RAPs, outsourcing of textiles management and CSPD, relocation of non-essential administration

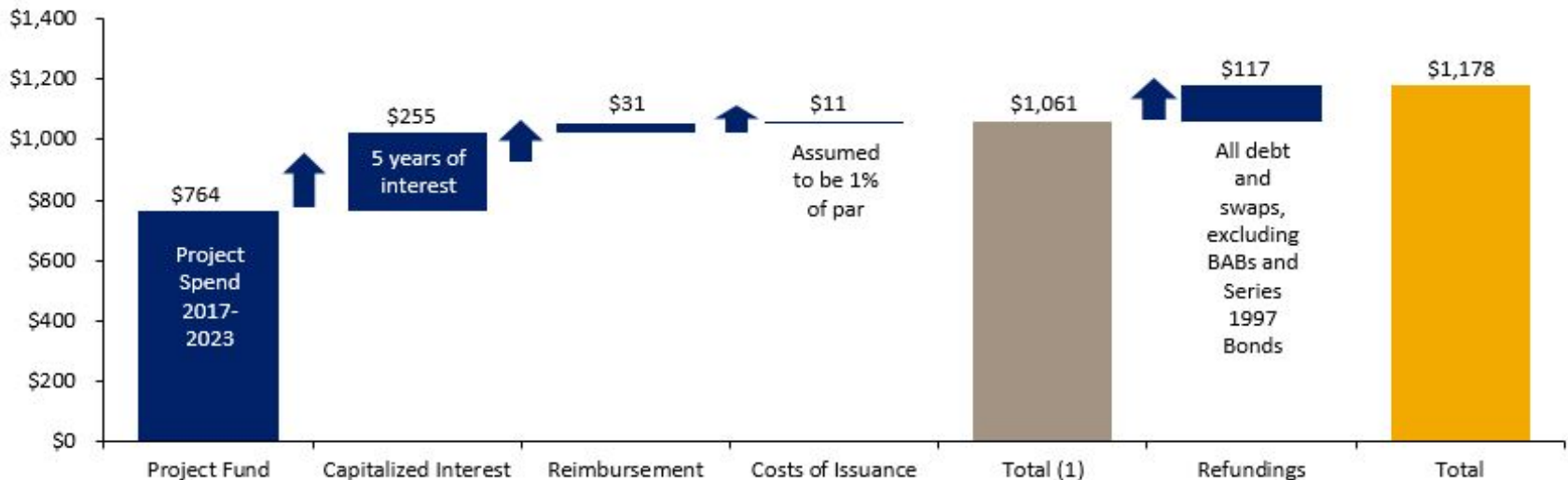
Plan of Finance

Series 2017 Overview

In addition to interest rates, the following factors used in building the plan of finance will impact MetroHealth's debt service coverage ratio calculation:

- Project fund amount and assumed investment rate
- Capitalized interest term, amount and assumed investment rate – *utilized as an offset to interest expense*
- Reimbursement for prior capital – *utilized as an offset to 1997 refunding and swap termination prior to public bond issue*
- Debt service reserve fund requirement to be met by County support, not bond proceeds
- Final maturity of the bonds and timing of principal amortization

Example (\$ in millions)



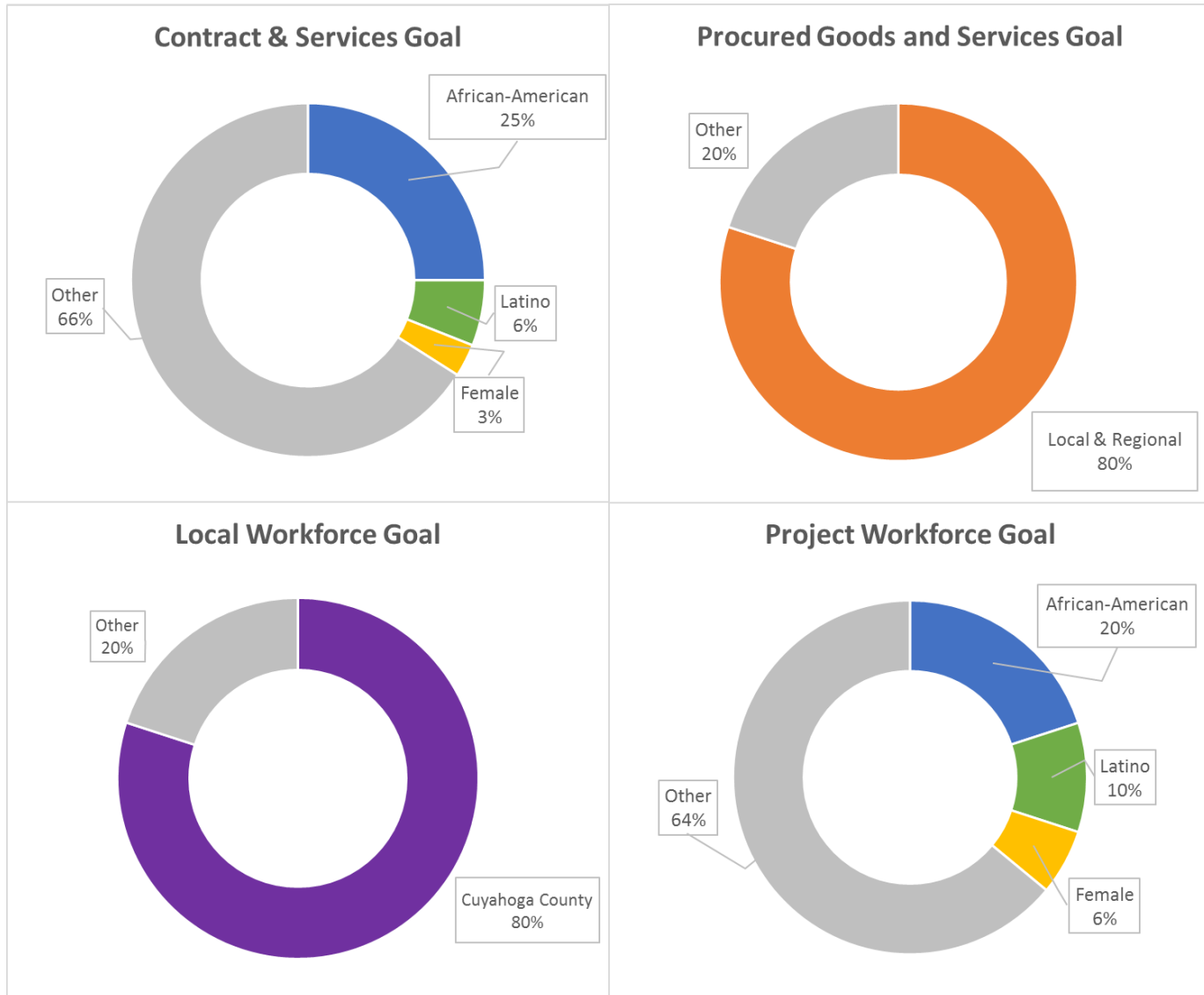
(1) These numbers are preliminary in nature and not to be considered final until completion of the transaction.

(2) Transaction assumes a 40 year term.

Timing of Series 2017 Financing

Week of	Major Events
March 20th	<ul style="list-style-type: none">▪ Board Approval of FY 2016 Audit and the Series 2017 Bonds▪ In-person rating agency meetings
April 10th	<ul style="list-style-type: none">▪ Release Preliminary Official Statement
April 17th	<ul style="list-style-type: none">▪ Marketing Period
April 24th	<ul style="list-style-type: none">▪ Price Series 2017 Bonds
May 8th	<ul style="list-style-type: none">▪ Series 2017 Bonds Closing

Commitment to Diversity





Economic Impact of Campus Transformation

- Labors Hours 4.4 – 5.0 Million
 - Labor Salaries & Expenses \$352 - \$396 Million
 - City Income Tax Revenues \$7.0 - \$8.0 Million
 - Cuyahoga County Sales Tax \$9.0 - \$13.0 Million
 - Materials & Goods \$477 - \$521 Million
-
- Project Labor Agreement between Construction Manager & Local Trade Unions



MetroHealth