



PENINSULA
REGIONAL HEALTH SYSTEM



An Affiliation Vision

Peninsula Regional Health System
Nanticoke Health Services

June 27, 2019



PENINSULA
REGIONAL HEALTH SYSTEM



Peninsula Regional Health System

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Nanticoke Health Services (NHS)



NHS - Background / History

- Nanticoke Memorial Hospital opens in 1952; Now at 99 staffed beds
- NHS is the sole provider in its primary service area with 68% market share
- An early adopter of and local leader in value-based care
- Strong physician relations
- Strong award winning community hospital clinically focused
- Excellent brand identity and patient loyalty

Watson Health™
**100 TOP
HOSPITALS®**
2019



NHS Key Partnership Goals

- Maintain commitment to NHS's mission and ensure long-term sustainability
- Ensure that NHS is well-positioned for population health management
- Improve NHS's access to capital to meet current and future capital needs
- Enhance operation efficiencies by leveraging economies of scale, business operations, systems and infrastructure.
- Continue to provide high-quality service to the local community
- Maintain and enhance existing clinical services
- Improve NHS's ability to recruit and retain high-quality physicians, staff and jobs in the local community
- Expand community outreach initiatives
- Increase managerial and administrative resources
- Retain local input and oversight



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Background / History

Peninsula Regional Health System (PRHS)
Peninsula Regional Medical Center (PRMC)

Mission

Improve the health of the communities we serve

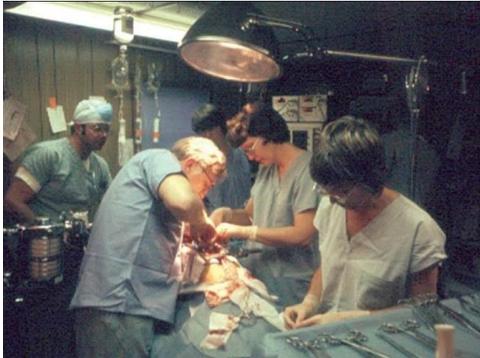
Vision

To achieve comprehensive world-class health and wellness
across the continuum of care

Values

Respect | Service | Honesty | Safety | Accountability | Compassion

Clinical Pioneers – A Path to Tertiary Care



Family Medicine Practices (5 Locations)

- Peninsula Regional Family Medicine Laurel*
- Peninsula Regional Family Medicine Millsboro*
(*Delmarva Health Pavilion Millsboro*)
- Peninsula Regional Family Medicine Ocean Pines*
(*Delmarva Health Pavilion Ocean Pines*)
- Peninsula Regional Family Medicine Salisbury*
- Peninsula Regional Family Medicine Snow Hill*

Specialty Practices

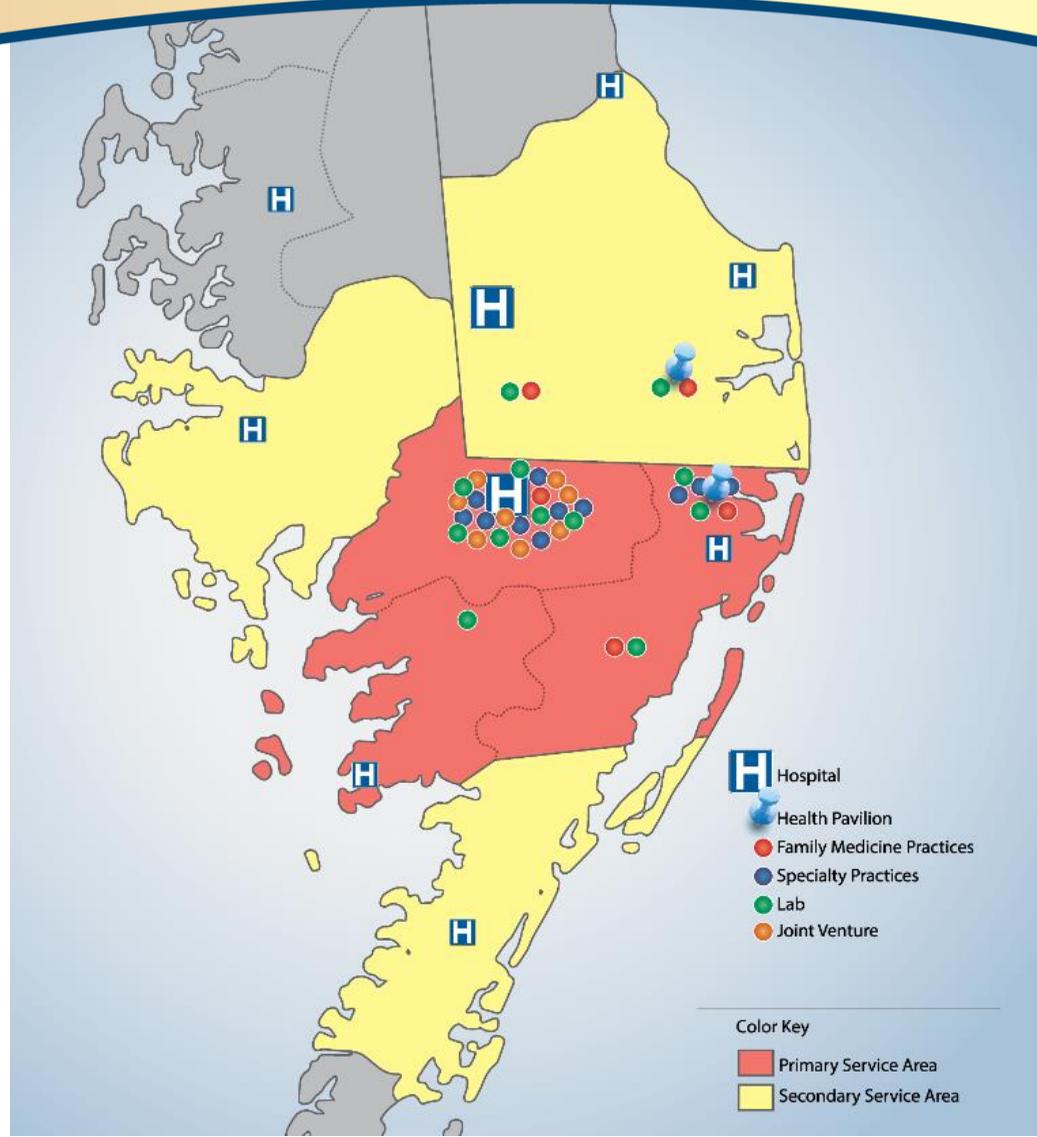
- Peninsula Regional CV Surgical
- Peninsula Regional Endocrinology Salisbury*
- Peninsula Regional Endocrinology Berlin*
- Peninsula Regional Gastroenterology Medicine
- Peninsula Regional Neurosurgery*
- Peninsula Regional Neurology*
- Peninsula Regional Pain Management
- Peninsula Regional Pulmonary & Critical Care
- Peninsula Regional Gastroenterology Berlin*
- Peninsula Regional Oncology Salisbury
- Peninsula Regional Oncology Ocean Pines

- Peninsula Surgery Center
- Peninsula Breast Center

*Lab services available

Health Pavilions

- Ocean Pines
- Millsboro



Population

Red

Primary Service Area =186,806

Yellow

Secondary Service Area =297,301

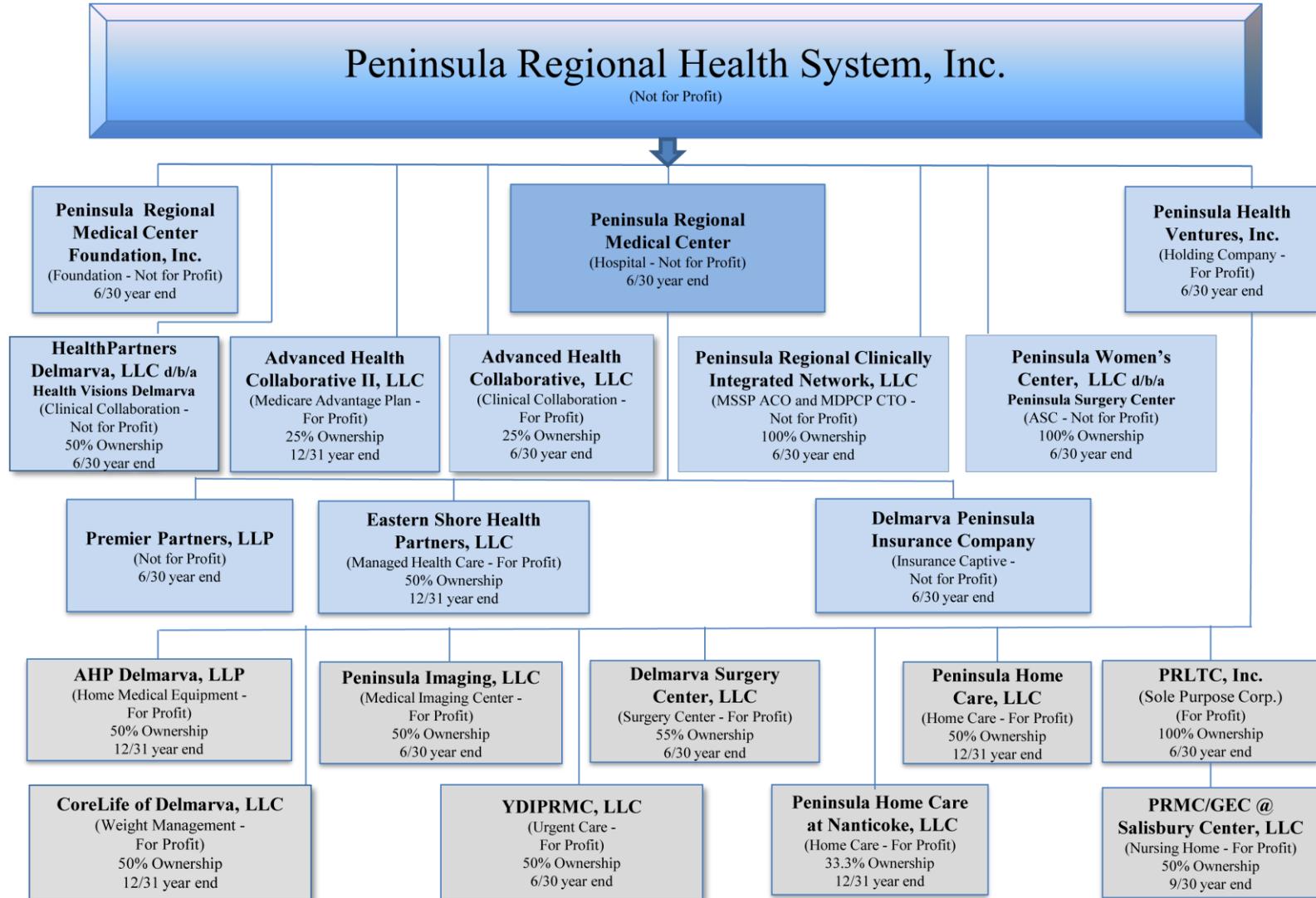
Total Service Area =484,107

Five Year CAGR = 1%

Joint Ventures

- American HomePatient
- Delmarva Surgery Center LLC
- Peninsula Home Care
- Peninsula Home Care - Nanticoke
- Peninsula Imaging, LLC
- Your Doc's In
- Salisbury Rehabilitation and Nursing Center
- CoreLife

System / Governance





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Peninsula Regional Medical Center





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Millsboro Health Pavilion

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Ocean Pines Health Pavilion

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MEDICAL CENTER



FY 2018 | PRHS by the Numbers

17,223 Adult Admissions
74,684 Actual Days of Care
89,239 Emergency Department Visits
564,532 Outpatient Visits
3,044 Outpatient Observations
1,928 Babies Delivered
344 Open Heart Surgeries
18,444 Total Surgical Procedures
\$500 Million + Economic Impact on the Region
26,432 Hours Donated to Our Community by Team PRMC
54,299 Personal Community Encounters to Provide Assistance
683 New People Joined Team PRMC
(Including **133** RNs and **97** Nursing Assistants)
2,096 Values in Action Nominations
by Staff to Recognize Exceptional Peers
1,736 Vaccinations at PRMC's Drive-Thru Flu Clinic in October 2017

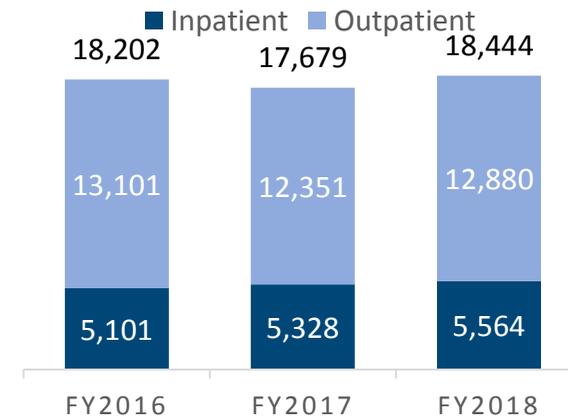
PRHS Awards and Recognitions



Surgical Services



SURGICAL SERVICES



13 Operating Rooms & 4 Procedure Rooms

- Maryland Institute for Emergency Medical Services Systems [MIEMSS] accredited for the treatment of AMI
- Clinical trials
- Cutting-edge procedures
 - TAVR
 - Watchman Device
- Electrophysiology Lab
- Valve and A-Fib clinics
- Largest Cardiac Rehabilitation program in Maryland
- Free vascular screenings

Open Heart



15,000+ open heart surgeries, 300,000+ cardiac interventions



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Hybrid Operating Room

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First and only in
Maryland



- Multidisciplinary case conferences
- Locations in Salisbury and Ocean Pines
 - On-site radiation therapy – TrueBeam™
 - PerfectPitch Six Degrees of Freedom Couch
 - Medical oncology
- Surgical capabilities
- Johns Hopkins Clinical Research Network and other clinical trials
- Cutting-edge treatments including Immunotherapy
- Extensive support services
- Palliative and end-of-life care
- Cancer exercise program



A QUALITY PROGRAM
of the AMERICAN COLLEGE
OF SURGEONS

Emergency | Trauma Services



Region's
designated
trauma center
treating 1,400
cases annually.
Nearly 90K ER
visits.

58 Treatment Bays (4 Trauma Bays)

Mother Baby | Special Care Nursery



Nearly 2,000 babies born here annually / more than all other regional hospitals combined



20 Postpartum Beds | 13 LDR Beds | 28 Bassinets



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Behavioral Health



Inpatient

Adult Unit - 13 Beds
Certificate of Need Approved
for Children & Adolescents
- 15 Beds

Outpatient

Adult & Child Intensive
Adult Partial Hospitalization
Program

Emergency Department

Child and Adolescent
Observation Unit



- Family and Specialty Physicians | 45
- Advanced Practice Professionals | 46
- Peninsula Regional Medical Group Visits FY2018 | 43,526
- Peninsula Regional Pain Management Visits FY2018 | 7,838

- Chronic Disease Management provided in:
 - Family Practice
 - Pulmonary
 - Endocrinology
- Infectious Disease Clinic
- Hospitalists | Visits (FY18) = 52,009 | 21 FTEs

Family Medicine Practices

- Peninsula Regional Family Medicine **Laurel***
- Peninsula Regional Family Medicine **Millsboro***
- Peninsula Regional Family Medicine **Ocean Pines***
- Peninsula Regional Family Medicine **Salisbury***
- Peninsula Regional Family Medicine **Snow Hill***

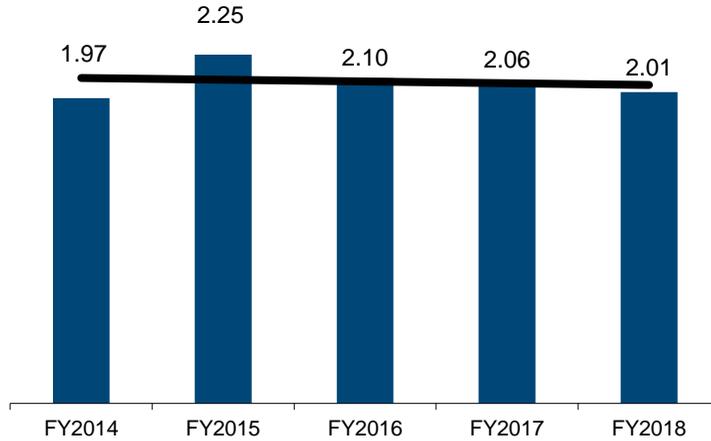
Specialty Practices

- Peninsula Regional **CV Surgical**
- Peninsula Regional **Endocrinology Salisbury***
- Peninsula Regional **Endocrinology Berlin***
- Peninsula Regional **Gastroenterology Salibury**
- Peninsula Regional **Gastroenterology Berlin***
- Peninsula Regional **Neurosurgery***
- Peninsula Regional **Neurology***
- Peninsula Regional **Pain Management**
- Peninsula Regional **Pulmonary & Critical Care**
- Peninsula Regional **Oncology Salisbury**
- Peninsula Regional **Oncology Ocean Pines**

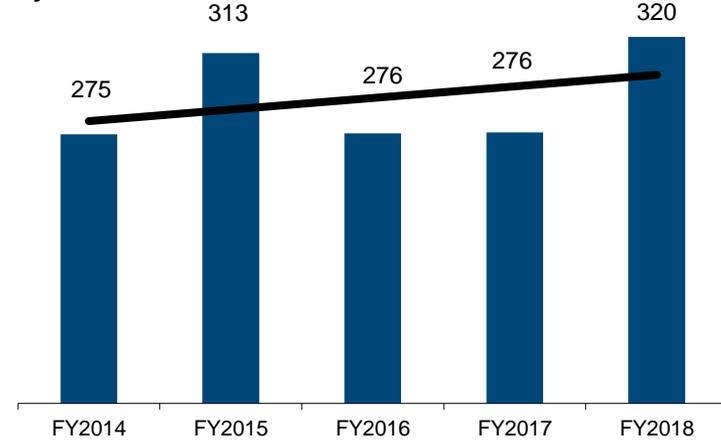
**Lab services available*

PRHS Financial Ratios

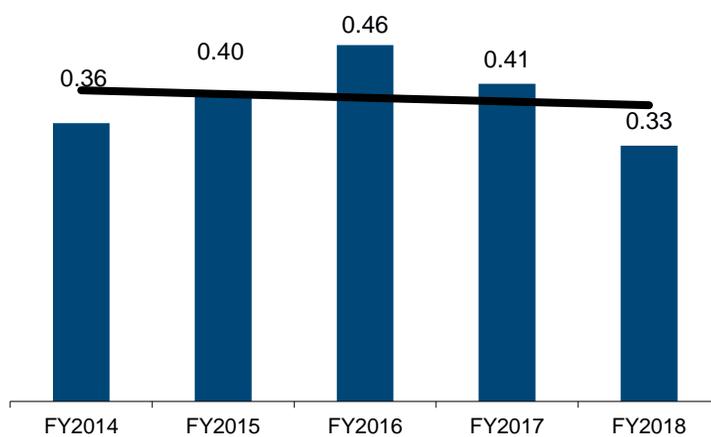
Current Assets to Current Liabilities



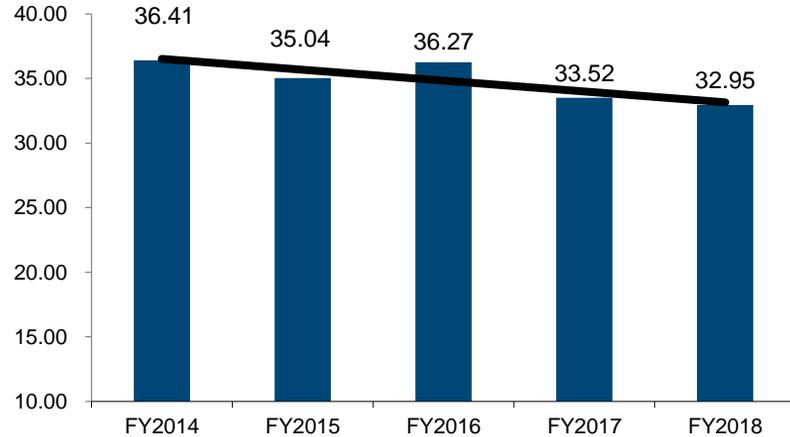
Days of Cash on Hand



Long Term Debt to Equity



Days in Patient Accounts Receivable (Net)





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NANTICOKE

HEALTH SERVICES

Always Caring. Always Here.

A Combined Health System

 Peninsula Regional Medical Center

 Health Pavilions

 Family Medicine Practices

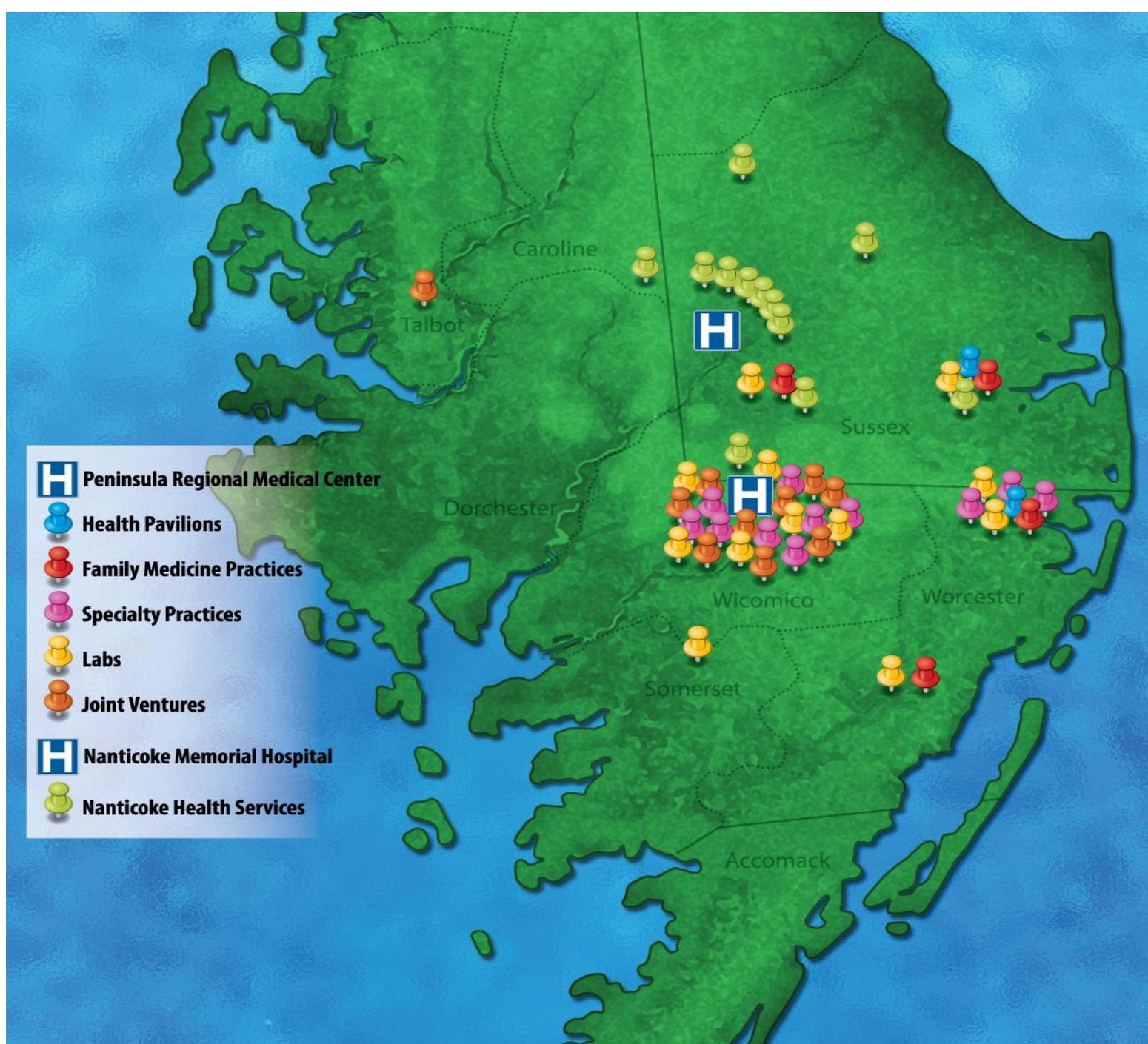
 Specialty Practices

 Labs

 Joint Ventures

 Nanticoke Memorial Hospital

 Nanticoke Health Services





Affiliation Vision

- Experienced leadership
- Favorable demographics
- Sound strategic planning
- Solid medical staff alignment
- Community support
- Risk adverse capital structure
- Strong financial position
- Seven-year experience with Global Based Reimbursement – Volume to Value
- Maintain commitment to NHS's Mission
- Governance Representation
- Proximity
 - Ensure NHS is well-positioned for Population Health
 - Enhance operating efficiencies
 - Continue to provide high-quality services
 - Enhance recruitment and retention
 - Expand community outreach

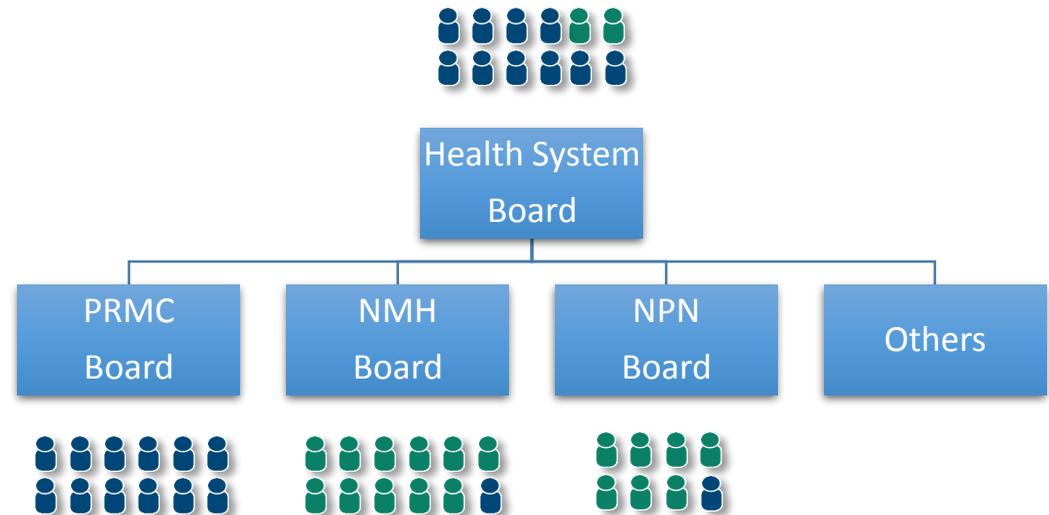
Culture / Mission

Both organizations have a strong dedication to the community. The combined commitments and resources provided will ensure the long-term sustainability of both organizations.



New System Generation

- Building the journey together vs conforming
- Input on strategic decision-making and capital expenditures
- Collaborate on brand identity



Stages

- Due Diligence – *Completed*
- Certificate of Public Review approval – *In Process*
- Execution of definitive agreement – *Tentatively July 1*
- Immediate post-transaction implementation
 - Advancing governance structures
 - Leadership team evolution
 - Long-range planning | future system evolution - 2020

Examples of Opportunities with Affiliation

- Expansion and integration of an ambulatory strategy
- Development of an integrated physician enterprise
- Review and develop appropriate primary & specialty coverage
- Improve and expand value-based reimbursement
- Enrich information technology
- Enhance operating efficiencies (e.g., supply chain management)
- Expand community outreach
- Improve access to capital

These opportunities will ensure continued healthcare access in the Sussex County region.



Questions