

- 2 a-d. Describe the process of Santiam’s Board of Directors (the “Santiam Board”) followed in approving this transaction.

For over 70 years, Santiam Hospital & Clinics has proudly remained a small, somewhat rural, independent health system. [REDACTED]

[REDACTED]

Hospital leadership led and engaged the medical staff and the Board in the affiliation evaluation and decision making.

In October 2023, the Executive Medical Staff Committee was invited to attend an Affiliation Strategy Session to evaluate what Santiam values most in a potential affiliation partnership. Shortly thereafter, at the Annual Strategic Planning

[REDACTED]

[REDACTED] All nine Board members were present, and the vote was unanimous.

2 e. Timeline, meeting agendas, minutes and presentations have been made available but remain confidential.

“Getting to Know You”
AGENDA
January 9th, 2024, 4:00pm
Freres Auditorium

- I. Samaritan Overview
- II. Samaritan Governance
- III. Management Leadership Structure
- IV. Centralized Services
- V. Decision Making & Local Hospital Experience
- VI. Patient Care Delivery (System Transfer Expectations)
- VII. Samaritan Financial Overview
- VIII. Union Presence at Samaritan
- IX. Naming Convention
- X. Synergies
- XI. Q&A

WELCOME





Samaritan
Health
Services

Building healthier communities together

WE ARE
Stronger
TOGETHER

MISSION

Building Healthier
Communities Together

VISION

Serving our
communities with PRIDE

VALUES

Passion
Respect
Integrity
Dedication
Excellence



STRATEGIC PRIORITIES



Samaritan
Health
Services

Alignment: Quality, Community, Culture



Samaritan At-A-Glance

Our People

5,800+ employees

500+ employed clinicians (Samaritan Medical Group)

- From primary to highly specialized care

Our System

Non-profit

Integrated Delivery System

Our Facilities

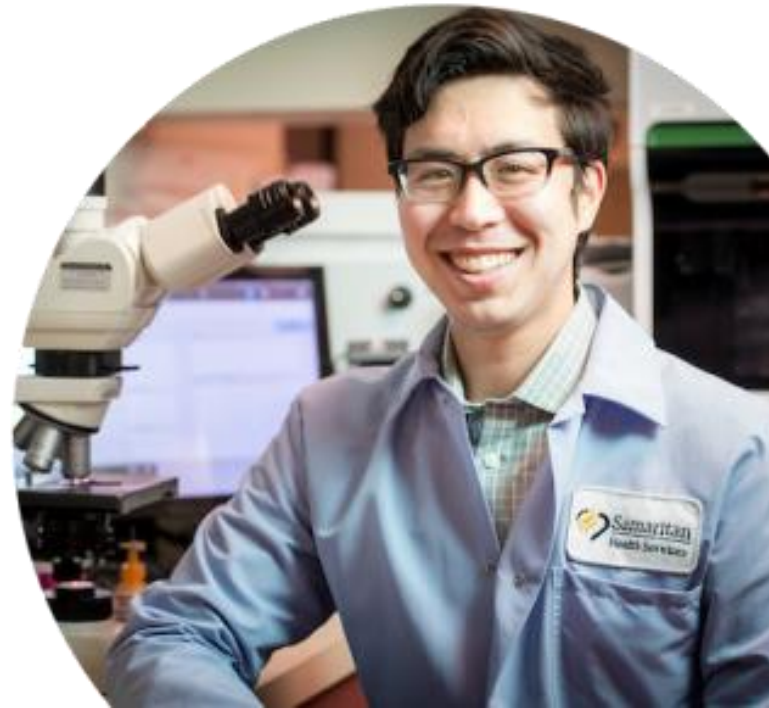
Five acute care hospitals

- Tertiary hospital and Level II trauma center (at regional medical center)
- Community-based hospital
- Three critical access hospitals

Over 80 clinic locations

6 urgent care / walk-in centers

3 SamCare Express/Mobile care clinics



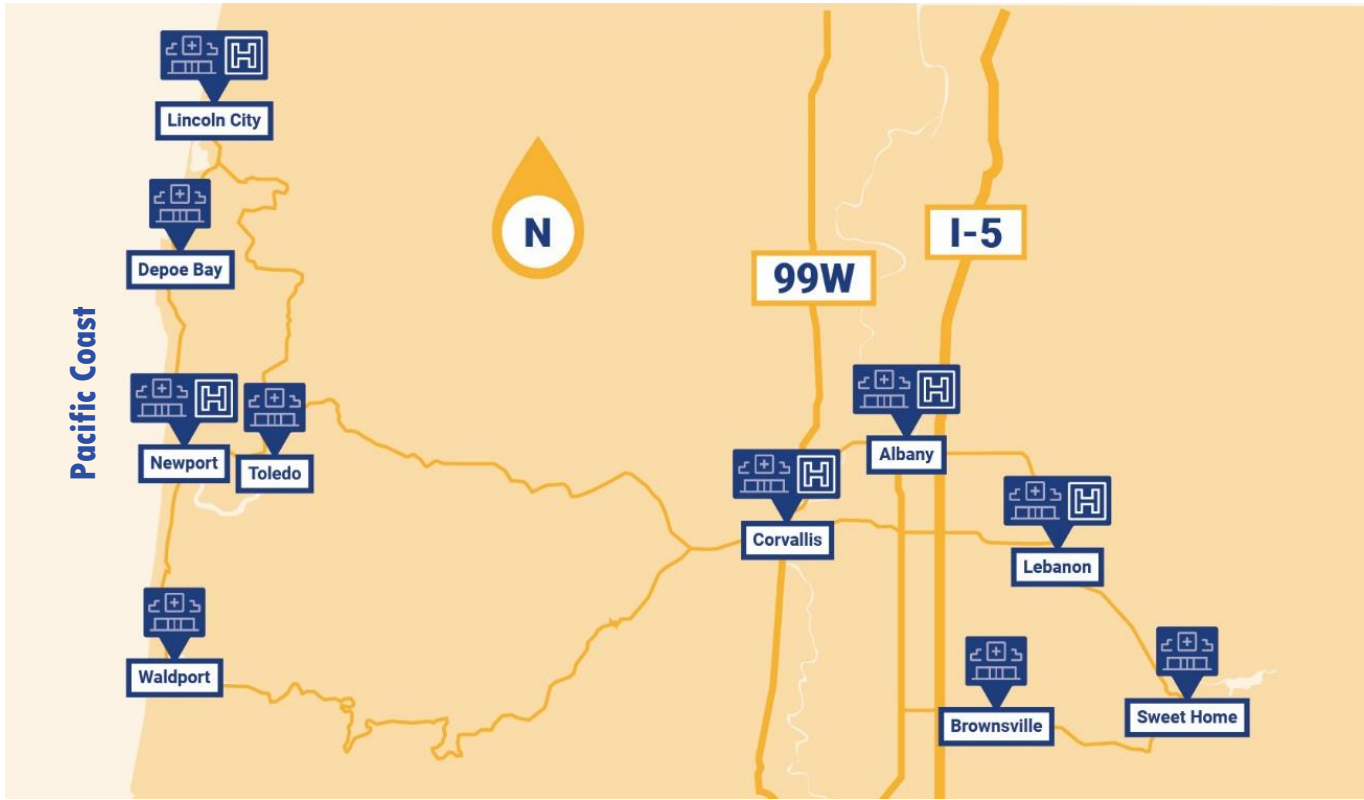
Samaritan At-A-Glance

Our Plans, Programs & Partnerships

- Four types of health plans: Medicare, Medicaid, self-funded, commercial
- Hospice services, including a hospice house
- Medical school partnership (COMP-NW/Western University)
- Residents / GME
- Health and fitness centers (SamFit)
- Partnerships with:
 - Stanford Health for cardiovascular surgery & oncology
 - Providence Health for telestroke support at all hospitals
 - Oregon State University for multiple services

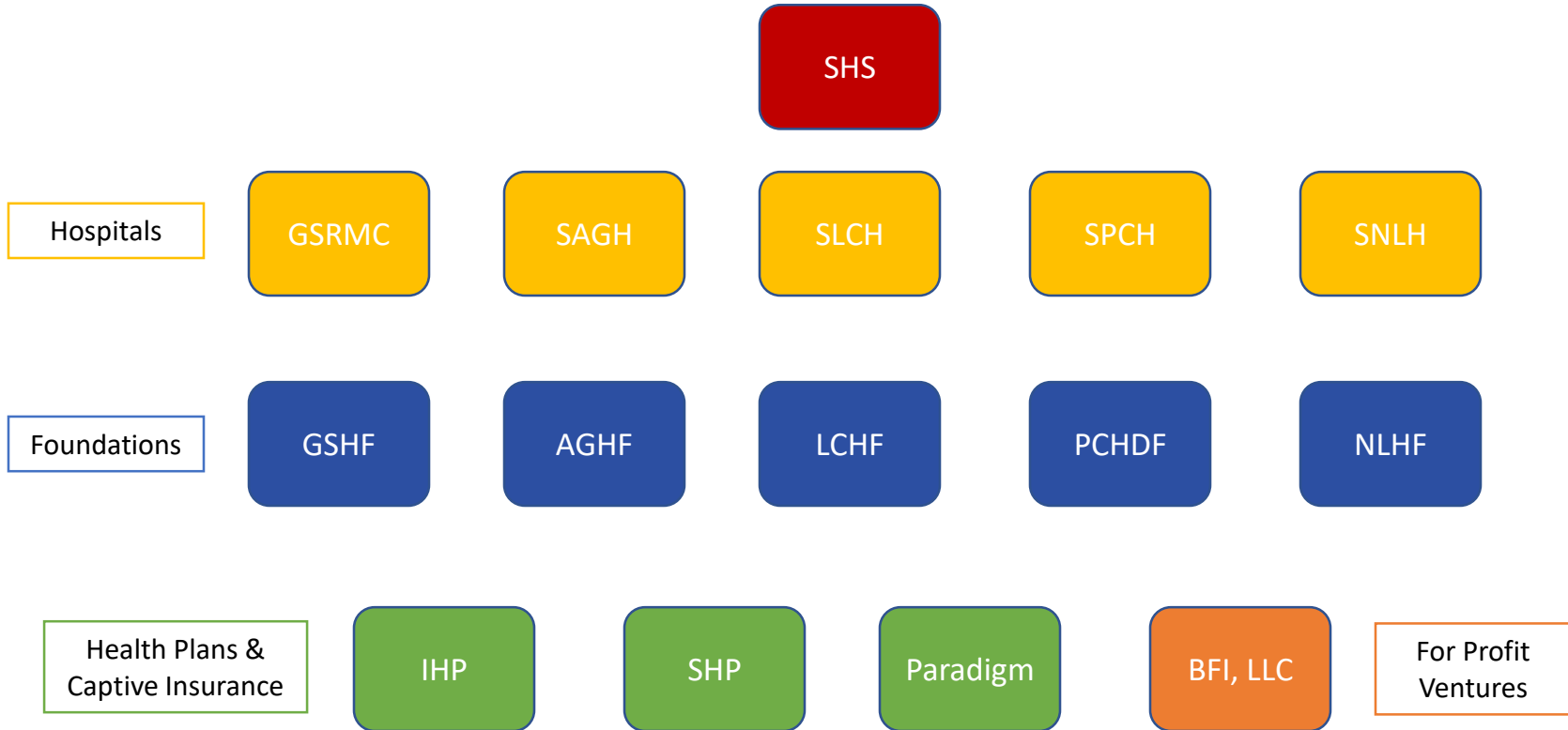


Samaritan's Service Area





Samaritan Entities



Samaritan Governance Overview



Volunteer board made up of local community members



Minimum of 15 voting directors
and 1 non-voting director

Three-year staggered terms, no
term limit



Each hospital has representation on the system board



Hospital Governance & Reserve Powers

Each hospital has a Board of Directors. The hospital bylaws contain reserve powers to the Samaritan Health Services system board, these reserve powers are summarized below:

Any indebtedness for borrowed money, acquisitions of assets, sales or transfers of assets where the value is in excess of \$500,000

Any and all mergers, decisions regarding expansion or closure of services within the primary service area, or creation of any subsidiary of the corporation

Approving an annual capital budget for the corporation and any expenditure over budget of more than \$500,000

Amendments to the governing documents of the corporation, election and removal of directors of the corporation, and any voluntary dissolution of the corporation

Any change in the formal or informal expressions of philosophy or purpose of this corporation, including the mission statement

Primary Functions of our Hospital Board's

Planning

Quality Improvement

Provider Credentialing

Medical Staff Bylaws

Medical Staff Issues

Advisory Role to SHS Board

- Strategic Planning
- Board Performance
- Board Recruitment
- Chief Executive





Samaritan Health Services



Doug Boysen
President and CEO

Senior Management Team



Larissa Balzer
VP, Strategy & Planning



Bruce Butler
Senior VP, CEO, Health Plans



Marty Cahill
Senior VP, COO, Hospitals



Anne Daly
VP, Corporate Compliance Officer



Taylor Gilmour
VP, Foundations



Laura Hennum
CEO, Good Samaritan Regional Medical Center



Tyler Jacobsen
VP, Chief Legal Officer



Kelley Kaiser
Senior VP, Chief Administrative Officer



Dan Keteri
CEO, Samaritan Albany General Hospital



Margaret Mikula, MD
VP, Chief Quality Officer



Lesley Ogden, MD
CEO, Samaritan North Lincoln Hospital & Samaritan Pacific Communities Hospital



Julie Osgood
VP, COO, SMG Clinic Operations



Scott Russell
VP, Human Resources



Sonney Sapra
Senior VP, Chief Information Officer



Kimberly Schauer
VP, Marketing & Communications



Dan Smith
Senior VP, Chief Financial Officer



Robert Turgren, MD
Senior VP, Chief Physician Executive



Wendie Wunderwald
CEO, Samaritan Lebanon Community Hospital



Centralized Services

- **Billing & Collection**
- **Information Services & Information Security**
- **Marketing & Communication**
- **Credentialing**
- **Accounting & Finance**
- **Payor Contracting**
- **Utilization Management**
- **Insurance Services**
- **Human Resources, Employee Benefits & Recruitment**
- **Employee Health & Safety**
- **Learning & Development**
- **Legal, Compliance, Enterprise Risk, Regulatory & Accreditation**
- **Quality, Patient Safety, Patient Experience & Engagement**
- **Materials Management**
- **Emergency Management, Security**
- **Strategy & Business Planning**
- **Community Health Promotion, Grants, Health Education & Research**



Local Hospital Experience

Local vs. System Control

Local Control:

- Hospital Operations
- Entity Strategic Goals & Priorities
- Site Budget & Local Capital
- Quality Improvement
- Developing & Maintaining Relationships with Key Stakeholders
- Interaction & Communication with Local Board
- Implementing Operational Strategies & Protocols
- Employee Relations

System Control:

- System Strategic Goals & Priorities
- System Budget
- Quality Improvement Priorities
- Corporate Support Services
 - IS, Marketing, Revenue Cycle, HR, Finance, Compliance, Legal, Patient Safety, Materials Management, Project Management, etc.
- Project Governance & Portfolio
- Position Control



Local Hospital Experience

Capital Needs

Routine Capital

Deferred Maintenance Capital

Major Equipment Replacements

IT Break/Fix and Replacement Equipment Capital

System Initiative Capital

Local Hospital Experience

Capital Budget Review

SLCH Capital Projects	2024 Capital	2025 Capital	2026 Capital
SLCH Routine Capital	880,000	880,000	880,000
SLCH FCA Deferred Maintenance	24,000	1,117,500	1,117,500
SLCH Sterile Processing Remodel	944,000	-	-
SLCH Cooling Tower Replacement	809,000	-	-
SLCH MRI Replacement	800,000	400,000	-
SLCH C-Arm Replacement	300,000	-	-
SLCH Lab Architect Replacement	160,000	-	-
SLCH Nuc Med Camera Replacements	200,000	400,000	-
Totals: SLCH	4,117,000	2,797,500	1,997,500

Local Hospital Experience System Initiatives & Local Needs

Increase Access to
Primary Care & Behavioral
Health Services

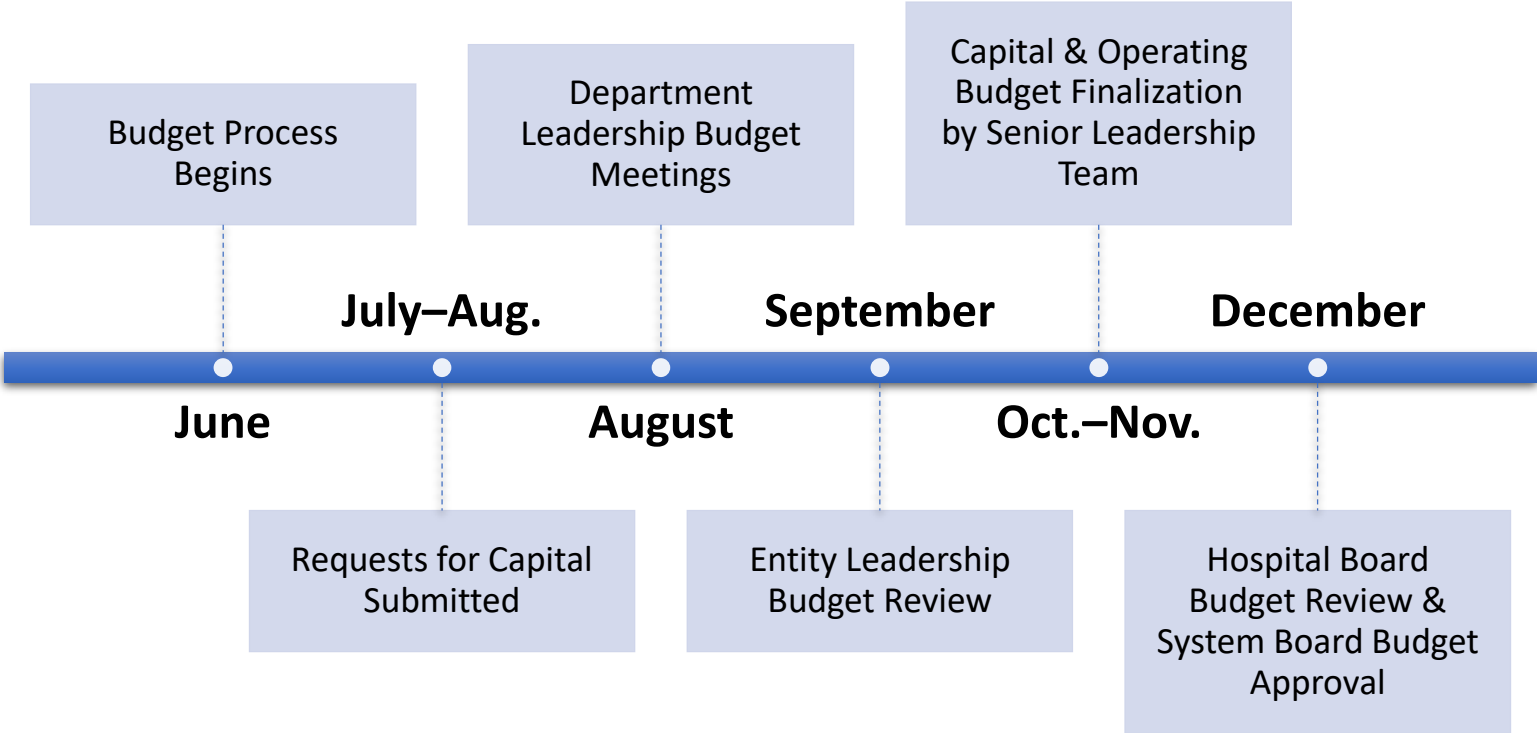


Patient Care Delivery

- **Keep services local where safe and effective**
- **Bring some specialty services from Corvallis to the rural communities**
- **Some patients are referred to Corvallis or Albany for specialty services**

Samaritan Financial Overview

Annual Budgeting Process



Samaritan Financial Overview

Obligated Group

Samaritan formed an obligated group to facilitate borrowing by the health system

- The obligated group allows for several Samaritan entities to be combined, and the combined group becomes jointly and severally liable for debt
- This allows the organization to streamline the ability to use bank financing, borrow at a lower interest rate, and makes it easier for a rating agency to evaluate the overall credit strength of the organization

The Samaritan Obligated Group includes the hospitals in which we own the land and buildings as well as the system entity

- The group is liable for long-term debt of the organization (Tax-Exempt Financing and Oregon Facilities Revenue Bonds)
- The Group is required to satisfy certain measures of financial performance as long as the bonds are outstanding under the Master Trust Indenture

Union Presence at Samaritan

- **Oregon Nurses Association (4 sites)**
- **Service Employees International Union (4 sites)**
- **Valley Imaging Professionals (GSRMC)**
- **International Union of Operating Engineers (GSRMC)**

Naming Convention

- **Samaritan Health Services**
- **Good Samaritan Regional Medical Center**
- **Samaritan Lebanon Community Hospital**
- **Samaritan Albany General Hospital**
- **Samaritan Pacific Communities Hospital**
- **Samaritan North Lincoln Hospital**

Vision for the Future



Achieve Synergies in the Following Areas

- **We can Learn from Each Other**
- **Economies of Scale in Back Office Support Functions**
 - **Billing & Collection**
 - **Information Services & Information Security**
 - **Marketing & Communication**
 - **Credentialing**
 - **Accounting & Finance**
 - **Payor Contracting**
 - **Insurance Services**
 - **Human Resources & Recruitment**
 - **Legal, Compliance, Regulatory & Accreditation**
 - **Quality, Patient Safety, Patient Experience & Engagement**
 - **Strategy & Business Planning**
- **Ground Transportation**
- **Graduate Medical Education**
- **Access to Resources for Growth**
- **Samaritan Health Plans including Coordinated Care Organization (IHN-CCO)**
- **Clinical Integration**
- **Innovation**



Samaritan
Health
Services

Building healthier communities together

WE ARE
Stronger
TOGETHER

Appendix

Samaritan Entity Abbreviation Guide:

- **SHS: Samaritan Health Services**
- **GSRMC: Good Samaritan Regional Medical Center (Good Samaritan Hospital Corvallis)**
- **SAGH: Samaritan Albany General Hospital (Albany General Hospital)**
- **SLCH: Samaritan Lebanon Community Hospital (Mid-Valley Healthcare)**
- **SNLH: Samaritan North Lincoln Hospital (North Lincoln Hospital)**
- **SPCH: Samaritan Pacific Communities Hospital (Samaritan Pacific Health Services)**
- **GSHF: Good Samaritan Hospital Foundation**
- **AGHF: Albany General Hospital Foundation**
- **LCHF: Lebanon Community Hospital Foundation**
- **PCHDF: Pacific Communities Health District Foundation**
- **NLHF: North Lincoln Hospital Foundation**
- **IHP: Intercommunity Health Plans**
- **SHP: Samaritan Health Plans**
- **PIC: Paradigm Indemnity Corp**
- **BFI, LLC: Boulder Falls Inn, LLC**

Hospital Governance & Reserve Powers

Each hospital has a Board of Directors. The hospital bylaws contain reserve powers to the Samaritan Health Services system board, these reserve powers are outlined below:

Any indebtedness for borrowed money, or any assumption of debt by the corporation in excess of an annual aggregate of \$500,000

Any and all mergers, acquisitions (including acquisition of membership interests), consolidations, reorganizations of or by the corporation except gifts and except acquisitions of assets with a value of less than \$500,000

Any and all sales or transfers of assets acquired by the corporation except sales or transfers in the ordinary course of business with a value of less than \$500,000

Any voluntary dissolution of the corporation

All decisions regarding expansion or closure of services within the primary service area

Approving an annual capital budget for the corporation and any expenditure over that budget of more than \$500,000

Any and all amendments or restatements of the Articles of Incorporation or the Bylaws of the corporation

Election and removal of directors of the corporation

The allocation of capitation and other integrated payment mechanisms between this corporation and any of its affiliated corporations

Any change in the formal or informal expressions of philosophy or purpose of this corporation, including the mission statement

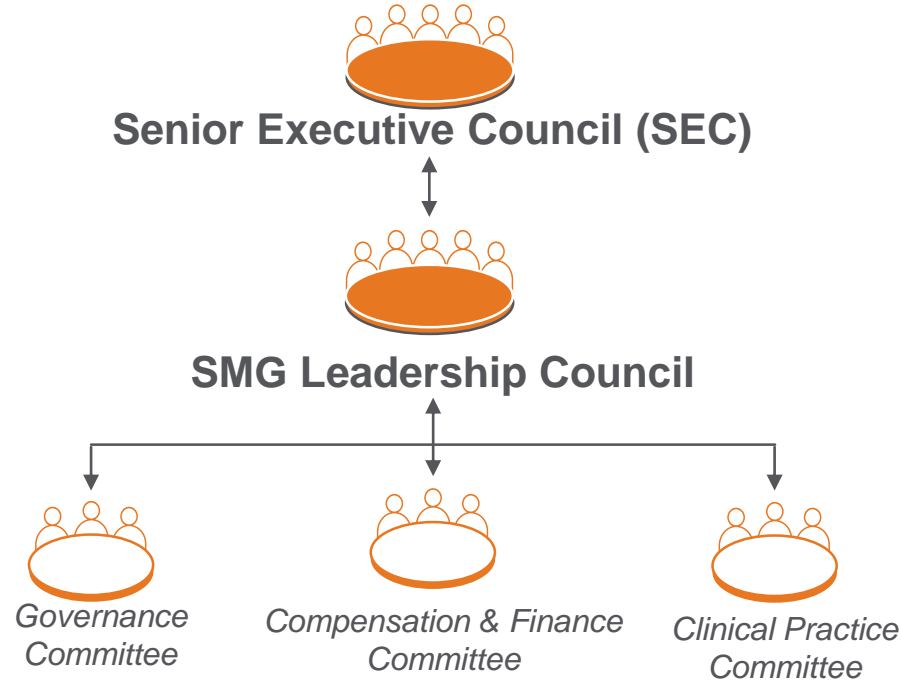
Creation of any subsidiary of this corporation or its participation in any business entity, including, without limitation, any corporation, unincorporated association, partnership, joint venture, consortium or cooperative

Any transaction of the corporation in which a director or officer of this corporation has a material financial interest



SMG Governance Structure

40 clinicians actively engaged in SMG Governance



The Foundation of the SMG Leadership Structure

Dyad Leadership Model



- ✓ Work together as a team to drive clinical and business outcomes
- ✓ At all levels/areas throughout Samaritan Medical Group

Clinical-Operational Leadership Dyads



Edited: 9/21/2023

SVP/Chief Physician Executive
Samaritan Health Services
Robert Tunngren, MD

VP/Chief Operating Officer
Samaritan Medical Group
Julie Osgood

Clinical-Operational & Administrative Leadership Structure

Senior Medical Director & Medical Director Dyads

