



# **Prisma Health 2030**

## Strategic Plan for a Health Company

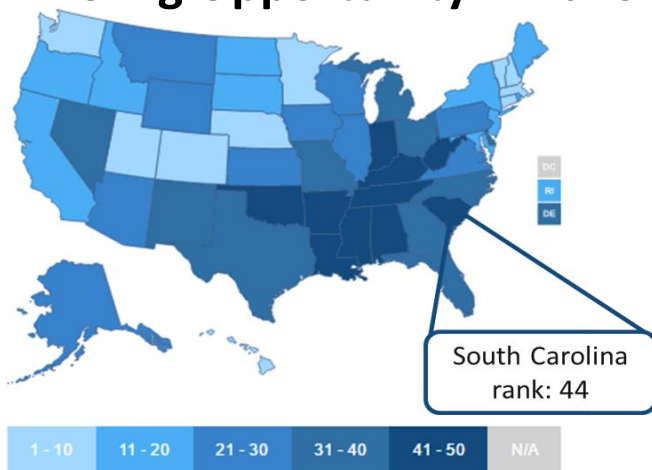
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# The Opportunity

- Despite spending over \$16.4 billion per year on health care and health related services in the Upstate and Midlands, South Carolina is ranked 44<sup>th</sup> in the country in health status. Leaders of Greenville Health System and Palmetto Health recognized an opportunity for these two successful delivery systems to join together to form a new health company to transform health care in the communities we serve as a broader effort to raise the health status of South Carolina residents.
- This is a compelling opportunity to **Achieve a Better State of Health**
- This was the genesis of **Prisma Health** – built on the strengths of GHS and Palmetto Health brought together in **unity** of governance, management, strategy, brand and experience. No longer two health systems, but one health company with a motivating Purpose. **Inspire health. Serve with compassion. Be the difference.**

## The Big Opportunity – Transform Healthcare in SC



### Challenges to Health Status in South Carolina

1. In the past 5 years, *children in poverty increased 28%*
2. South Carolina ranks *47<sup>th</sup> for low birthweight* (10%, compared to the national average of 8%)
3. South Carolina ranks *43<sup>rd</sup> for diabetes* (12%, compared to the national average of 10%)
4. South Carolina also ranks *43<sup>rd</sup> for smoking* (21%, compared to the national average of 18%)
5. South Carolina ranks *47<sup>th</sup> for high cholesterol* (42%, compared to the national average of 38%)

**Consumers in Upstate and Midlands spend \$16.4 Billion per year on health care**

## Become a Health Company that Achieves a *Better State of Health*

A health company is a portfolio of interrelated functions and businesses developed and operated to achieve strategic, clinical, operating, financial and community health goals that are beyond the reach of a hospital or health system.

### Core Elements of Strategy

- **Integrated Governance and Management Model** that operates a portfolio of interrelated businesses to achieve enterprise level goals and deliver on the Prisma Health strategy. These will include the functions and business lines that GHS and Palmetto Health each bring to the new organization as well as other functions and business lines that are added to the Prisma Health portfolio through internal development, acquisitions, and partnerships.
- **Multi-Region Delivery System offering a Comprehensive Continuum of Services** that today serves markets of 2.5 million people in South Carolina; our future goal is to serve markets of 5 – 10 million people in the Southeast US.
- **Value-Based Health Platform** that provides the clinical and business resources and systems to accept and manage populations effectively to achieve cost and quality outcomes. Today we have 180,000 lives under management; our future goal is between 500,000 to 750,000 lives under value-based health arrangements.
- **Clinical Alignment** through coordination and implementation of best practices that deliver consistent high quality care and service across Prisma Health.
- **Academics Platform** sized and configured to address work force and health-related research needs of the health company and communities served.
- **Engaged Physicians** who will drive forward Prisma Health in areas of clinical service delivery, academics, value-based health and others in order to implement the strategy.
- **Purpose** that unites our 30,000 team members and sends a message to our external constituents about why Prisma Health was created. **Inspire health. Serve with compassion. Be the difference.**

# Prisma Health's Role in Achieving A Better State of Health

A traditional hospital or health system directly affects approximately 10% of the health status of an individual, a population or a community through the provision of health care. To begin to address the other 90% effectively, we saw a need to transform our organizations from two health systems to one health company. As a health company, Prisma Health will focus on the following four core elements in its efforts to achieve a better state of health.

## Provide an Exceptional Consumer Experience

Health consumers have choices. We want them to choose Prisma Health as their partner in creating a better state of health. We will excel at clinical quality, customer service, and comprehensive health and wellness services that are affordable and accessible.

## Reduce Per-Capita Costs

Our value-based health delivery is built upon new era care models that are primarily focused on those individuals within covered populations in chronic disease and high risk categories. The successful deployment of these models will decrease per capita costs due to enhanced, personalized health management.

## Improve Health Status of Populations

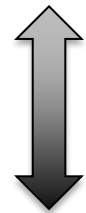
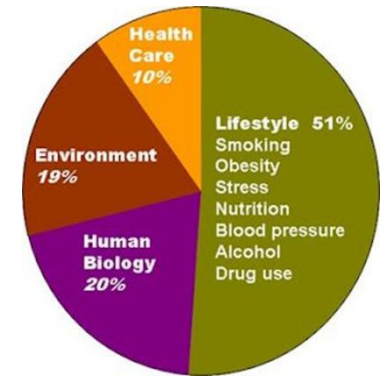
The same models that are used to reduce per capita costs also deliver better clinical outcomes and improved health status of populations we actively manage. We will also partner with other organizations and agencies in the communities in which we operate to deliver programs and services to address community health and wellness priorities.

## Team Member Well-Being

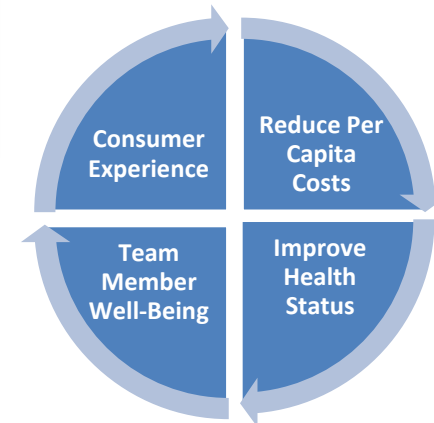
Prisma Health is comprised of 30,000 team members. Excellent care, service and innovation requires engaged personnel who are connected to purpose, perform meaningful work, and are supported in achieving their highest potential.

While a focus on these four elements represents a strong start and positions us to improve health, these alone will not fully address all factors that determine the overall health status of a community. Much of community health status is driven by two factors: educational attainment levels and income. The higher these two factors are, the healthier a community is. As a major corporate citizen with our resources and reach, we will form partnerships with various government agencies, businesses, civic groups, foundations, educational institutions, and other interested parties to implement long term plans to impact community education and income through direct and indirect efforts.

## Determinants of Health



## Prisma Health Role



# Future State: Prisma Health 2030

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Given Prisma Health's role in creating a better state of health, we created a desired future state to identify "what" we would look like in the year 2030 when we delivered on this strategy.

**Reputation** – Known regionally and nationally for transforming health care within the communities we serve, which has improved the overall health status of its citizens and improved national rankings for South Carolina and other market areas we serve.

**Scale** – Operating in Southeastern US serving markets of 5 – 10 million people with 500 – 750K lives under value-based health arrangements, we have the resources and capabilities not only respond effectively to changes in the market place and industry, but to be proactive and shape the health care market place and influence the industry itself.

**Economic Climate** – We have turned health care into a competitive advantage for state governments and regional employers causing income in communities in which we operate to rise due to increased employment in higher paying jobs.

**Community Health** – Our communities have better health status indicators than those in which we are not located. We have successful partnerships with community agencies, civic groups, and other local partners that improve health by eliminating health disparities by addressing social determinants.

**Experience** – Our consumers and team members rank us in the top decile of national surveys. They know our brand, prefer our brand, and use our brand.

**Access** – A comprehensive continuum of physical and digital platforms is available to our consumers when they want it, how they want it. Services provided on this continuum include clinical care, wellness, prevention, education, retail, and health plan offerings. We have effectively worked with others to introduce new and change existing public policies that have expanded access and availability of health care services.

**Affordability** – By focusing on the total cost of care arrangements, we have made the cost of health predictable, and affordable; and our digital health platforms have allowed greater access at affordable prices.

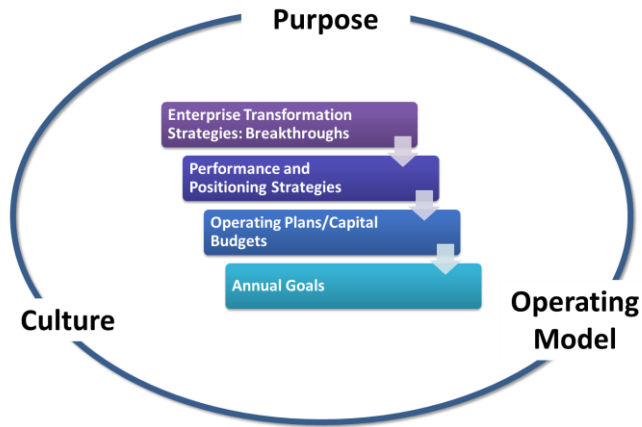
**Quality** – We rank in the top decile nationally for outcomes and quality measures for traditional and emerging care delivery models.

**Academics** – Teaching: We are producing a significant number of physicians, nurses and allied health professionals for our health company, which supports a highly talented workforce with low vacancy and turnover rates. Health-Related Research: Our applied health research activity is the basis for new era care delivery and health promotion models, which are adopted by organizations that want to replicate our results.

This future state description was then used to create the plan for "how" we will achieve this state – this next section of the Strategic Plan identifies the organizational priorities that create a high performance health company.

# Journey to Prisma Health 2030: Foundations, Strategies and Plans

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There are seven (7) platforms of our strategic plan that work together to create a high performance health company – they include the **foundations** of the organization and **long-term and short-term strategies and plans**.

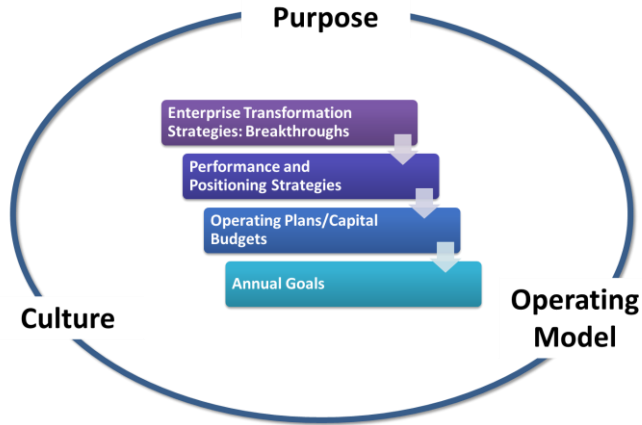
## Foundations

These platforms inform long-term strategies and define how everyday business is conducted. They are the framework in which the company operates.

1. **Purpose** – A concise statement of why an organization exists that is relevant and compelling to both internal and external audiences. **Inspire Health. Serve with Compassion. Be the Difference.** These three sentences, eight words in all, encompass the promise and strategic intent of Prisma Health.
2. **Culture** – The beliefs, behaviors, and decision-making processes that define how an organization’s leaders and team members interact with one another and the external environment. We will create a new culture for Prisma Health incorporating the best elements of GHS and Palmetto Health that will enable the organization to achieve the next level of performance and distinction.
3. **Operating Model** – How an organization runs itself and delivers value to its consumers. Prisma Health is an Operating Company model with a strong corporate parent that includes multiple affiliates that are integrated and operated to achieve enterprise-wide goals and the Purpose of the organization.

# Journey to Prisma Health 2030: Foundations, Strategies and Plans

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## Strategies and Plans

Integrated actions to achieve long-term goals while supporting near-term competitive priorities.

1. **Enterprise Transformation Strategies: Breakthroughs** – Multi-year plans to create a health company that transforms health care. These strategies will be timed and sequenced between FY19 and FY24 to achieve maximum impact and synergies.
2. **Performance and Positioning Strategies** – Multi-year plans that will optimize performance of the affiliates in today's health care marketplace while positioning them for future roles within the health company's business portfolio.
3. **Operating Plans and Capital Budgets** – The major investments to be made in the current and future businesses of the health company that support the Enterprise Transformation and Performance and Positioning strategies. These are updated annually and are included in the organization's Financial Plan.
4. **Annual Goals** – Leaders in the organization will have goals that link their performance to the highest level strategies of the health company. Starting with the co-CEOs and Executive Cabinet, aligned goals will cascade through the organization to support the Enterprise Transformation Strategies, the Performance and Positioning Strategies, and the Operating Plans and Capital Budgets.



# Priorities Beginning FY19

The successful development and operation of a health company to achieve the Prisma Health 2030 future state began when we launched our health company on November 21, 2017. The next critical actions are identified in the priorities and plans beginning in FY19 for the following platforms:

- Foundations: Culture and Operating Model
- Enterprise Transformation Strategies: Breakthroughs
- Performance and Positioning Strategies
- Operating Plans/Capital Budgets
- Annual Goals

FY19 will be the first full year of operation of Prisma Health. We are a young organization that is working on business and clinical integration activities while also managing core health care operations in a dynamic environment.

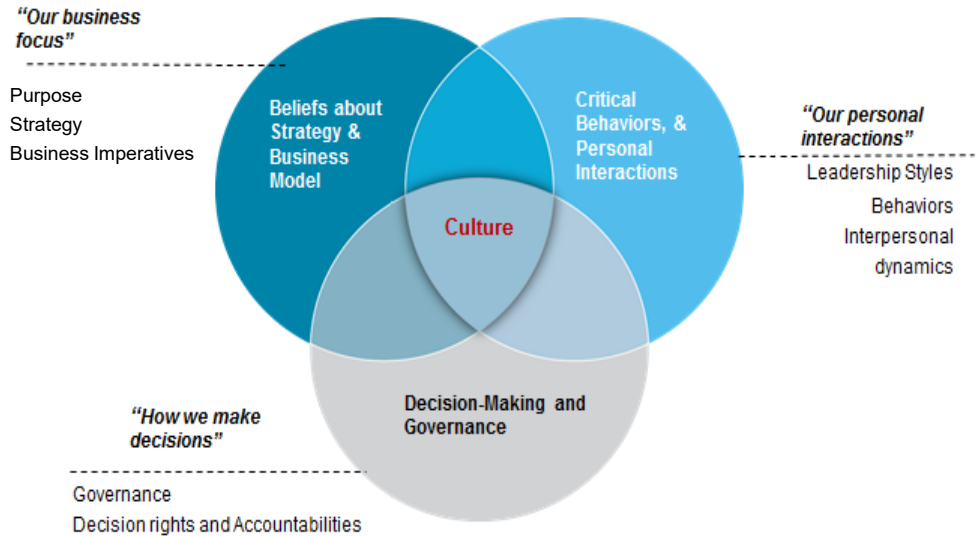
Leadership identified the priorities for FY19 with the following principles in mind:

- Create unity and systemness
- Advance efforts to improve quality
- Focus on cost reduction and cost restructuring – create resources to invest in our strategies
- Support the launch and deployment of our new brand – Prisma Health
- Deliver results that matter to our team members and consumers – access, quality, affordability, experience
- Support the transition to value-based health
- Continue the movement to full Operating Company Model
- Support the creation of our Culture
- Create tangible links to Purpose for our team members and our consumers

# Priorities Beginning FY19: Foundations

Feedback from Prisma Health Boards (corporate and affiliate) and executive management team members identified the need to accelerate our movement toward an Operating Company model. Financial and operating performance for FY18 have underscored that need.

**Two major foundational areas of focus in FY19 will be Culture and Operating Model.** These areas will be extremely important since a new CEO will lead Prisma Health beginning January 1, 2020. We want this CEO to be attracted to our organization because of our strong culture and operating performance.



## Culture

Executive leadership will focus on the establishment and development of the culture of the organization. Now that we have selected the name, Prisma Health, created the Purpose Statement, and completed our first Strategic Plan, (all elements of the "business focus") efforts can be advanced to foster other key elements of a high performance culture. A first step will be the designation of an Executive Management home office for Prisma Health where the senior leadership team can fully form and establish the behavior and decision-making standards which are core elements of culture and a highly effective organization. Other areas of focus will involve further delineation of decision making and governance functions for the management team and the board, and building on quality improvement efforts already underway with the various councils and committees across the organization.

## Operating Company Model

An initial organizational structure was put in place to launch the new health company. As clinical and business integration activities progress and plans to implement our strategies to become a health company get underway, it is time to focus on the next phase of organizational structure development. This effort will take into account functions and businesses which bring more value when operated across the enterprise rather than resting within an affiliate. Examples of functions or business lines that are and will be considered during this phase of organizational structure alignment include:

- a) Physician Services/Medical Group – governance and alignment of medical group functions that are integral to other health company lines of business (clinical, academic, value-based health, philanthropy, etc.)
- b) Academics – workforce development and health-related research
- c) Value-Based Health – clinical and business services to accept and manage covered lives to specified cost and quality outcomes
- d) Retail Services – services in which consumers are lead agents in the purchasing decisions that play a major role in defining the Prisma Health experience (services delivered outside traditional hospital chassis such as imaging, elective procedures, wellness, preventative, etc.)
- e) Digital Health – platforms where consumers can engage in and manage their health (virtual visits, web enhanced interactions, health apps, wearables, implantables, etc.)
- f) Philanthropy – identification and cultivation of people, foundations, and organizations who support our strategic direction and want to be a part of its success
- g) Ambulatory – organization and delivery of services to patients receiving outpatient care in an efficient and effective manner
- h) Acute Care – organization and delivery of services to patients receiving inpatient care in an efficient and effective manner
- i) Post-Acute – organization and delivery of services to patients transitioning out of the inpatient setting to lower acuity settings or home

# Priorities Beginning FY 19: Enterprise Transformation Strategies

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From the Future State exercise, we identified over 50 strategies to transform the organization that exists today to one that achieves this future state. These strategies were then sorted, grouped and consolidated into eight Breakthrough Strategies

These eight strategies represent significant transformation work for the organization. Under each of these, there will be six to eight sub-strategies requiring detailed workplans and allocated resources to achieve desired outcomes. Due to the organizational focus required by each of these strategies, we will launch no more than one or two at a time. The sequencing of these Breakthroughs was done so that the actions of those early in the schedule will have a positive impact on those that follow later. This is the blueprint to create the organization that will achieve our 2030 Future State.

In FY19, we are launching two Breakthroughs as seen highlighted in yellow.

Break-through	FY19	FY20	FY21	FY22	FY23	FY24
1	Become a highly effective and efficient organization by leveraging the benefits of the health company					
2	Utilize data and analytics to advance clinical, operational, financial and strategic imperatives					
3		Advance progress towards a diverse, engaged and talented workforce				
4			Adopt and deploy technologies that enhance clinical quality, operations efficiency, consumer engagement and cost restructuring			
5				Become consumer-driven providing accessible, meaningful and flexible services, products and platforms		
6				Make Prisma Health a high reliability organization		
7					Engage with consumers, stakeholders and communities to improve their health and well-being	
8						Become a value-based health leader

# Priorities Beginning FY 19: Enterprise Transformation Strategies

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## FY19 Enterprise Transformation Strategies: Breakthrough 1.0

Become a Highly Effective and Efficient Organization by Leveraging the Benefits of the Health Company

GHS and Palmetto Health are integrating structures and functions to form Prisma Health – a health company. This integration is not just a combination of two separate organizations, but an intentional redesign of selected processes for the successful addition of future affiliates. A Synergies and Integration plan was developed to guide the work of bringing the two organizations together to realize cost savings and operating efficiencies of \$120M per year by the end of FY20. This is a significant part, but only one part, of this Breakthrough. This Breakthrough will prepare a foundation for the six that follow that are also instrumental to the success of the health company.

**Executive Sponsor:** Greg Rusnak

**Breakthrough Owner:** Will Chapman

Breakthrough Objective	Strategies	Owner	Metric	Goal
1.0 Become a highly effective and efficient organization by leveraging the benefits of the health company	1.1 Unify Organizational Structure	Rob Brinkerhoff		
<b>Metrics</b>	1.2 Consolidate and Optimize for Efficiencies	Heather Hayes		
	1.3 Optimize Staffing and Retention	Carolyn Swinton		
	1.4 Implement a Common PI Structure	Keith Shah		
<b>Goals (Targets)</b>	1.5 Standardize Quality Processes	Greta Harper, MD		
	1.6 Deploy Technology to Optimize Performance	Rich Rogers		
	1.7 Align Processes to Support Physicians	Ryan Hall		
	1.8 Optimize the Clinical Learning Environment	Kathy Stephens		17

Details on 1.0 strategies on following page

Under Development

# Breakthrough 1.0 Strategies

**1.1 Unified organizational structure.** A new enterprise-wide organizational structure with defined leadership and management roles will be introduced specifically supporting the Synergies and Integration work plan. This structure will optimize span of control and efficiencies for many administrative and clinical functions. Clear lines of authority and accountability will enable efficient and effective decision making.

**1.2 Standardize operations.** Continued implementation of the Synergies and Integration Plan will continue. Operations will be standardized in important areas including but not limited to nursing, surgical services, pharmacy, laboratory, imaging, food and nutrition services, environmental services and other services. Opportunities to consolidate will also be explored especially in corporate services such as: finance, accounting, supply chain, human resources, information technology, marketing and planning. Standardization and consolidation, where possible, will enable efficient and effective operations and improve productivity and reduce cost.

**1.3 Standardize staffing models.** Consistent staffing models will be developed to optimize and retain direct patient care and support team members. Common staffing standards will enhance patient care and satisfaction as well as improve team member engagement. Achievement of Magnet and Pathways to Excellence designations will reduce our dependence on agency staffing and reduce premium pay. Improvement in the career development pipeline of candidates for clinical and clinical ancillary positions.

**1.4 Develop Performance Improvement Capabilities.** Robust performance improvement (PI) capabilities are necessary to support standardization, optimization and change management that are consistently applied across the health company. A common PI structure will support the development of PI skill sets (basic to advanced) needed for leaders through front line staff.

**1.5 Standardize Quality Improvement Processes.** The organization's Quality Plan will, in conjunction with the physician networks, standardize the quality program, associated methodologies and tools. Multi-disciplinary cross-affiliate teams will focus on the following clinical services: Hospitalists, Intensivists, ED Physicians, Radiologists and Pathologists. These hospital-based services touch the majority of our patients. Standardized clinical protocols and guidelines will improve quality, safety and patient satisfaction as well as reduce risks.

**1.6 Standardize Information Technology (IT) and Equipment.** Well planned standardization of IT systems and application will support our efforts to optimize efficiency and performance. Investments will be required to implement long-term software solutions for predictive scheduling, staffing management and telehealth services.

**1.7 Standardize Clinical and Business Operations.** Standardized clinical and business processes will allow our physicians and providers to become more efficient and effective in their practice locations. These efforts should improve the patient experience through improved patient access and referral tracking and coordination. Multi-disciplinary cross-affiliate teams will establish standardized clinical guidelines, treatment protocols and care coordination to advance our established Centers of Excellence.

**1.8 Optimize the Clinical Learning Environment.** Our clinical learning environments are a key element of our future success. We will explore opportunities to maximize existing investments in our GME, nursing and other educational programs. Continued development of these programs will be based on the future workforce needs of the organization. Opportunities to develop new funding mechanisms to support existing and future educational programs will be explored.

# Priorities Beginning FY 19: Enterprise Transformation Strategies

## FY19 Enterprise Transformation Strategies: Breakthrough 2.0

### Utilize Data and Analytics to Advance Clinical, Operational, Financial and Strategic Imperatives

One of our most valuable assets is data, and we are gathering significant amounts from different sources - clinical, financial, operational, research, market, cost. Breakthrough 2.0 is centered on turning data into advanced analytics to inform clinical, business, operating, financial, market and strategic decisions. And this data will also be used in a predictive analytics platform that supports our value-based health programs.

**Executive Sponsor:** Angelo Sinopoli, MD  
**Breakthrough Owner:** Blix Rice

Breakthrough Objective	Strategies	Owner	Metric	Goal
2.0 Utilize data and analytics to advance clinical, operational, financial and strategic imperatives	2.1 Develop Workforce Competencies for Data and Analytics	Andrea Kaelin		
<b>Metrics</b>	2.2 Ensure Data and Reliability and Validity	Chad Moses		
	2.3 Enhance Data-driven Decision Making	Cathy Chang, MD		
	2.4 Build Data Governance	Keith Shah		
<b>Goals (Targets)</b>	2.5 Define Partnerships	Rich Rogers		
	2.6 Define Data & Analytics Guiding Principles	Mark Wess, MD		
	2.7 Shape Experience	Bill Gerard, MD		
	2.8 Enable Scalability	John Supra		18

Details on 2.0 strategies on following page

Under Development

# Breakthrough 2.0 Strategies

**2.1 Define data and analytics guiding principles.** This strategy is focused on laying a foundation for data usage that includes the ability to connect relevant systems for consistency and transparency. The principles developed within this work stream will serve as guardrails for analytics throughout the enterprise.

**2.2 Build data governance.** This strategy will address the custodial structure of our data sets, as we will act as both managers of our own data and fiduciaries of others'. This team will develop guidelines around data sequestration and access protocols. It will also establish the prioritization of data sources and optimal allocation of corporate resources toward analytics. This framework will underpin the organization's capability to deliver results efficiently and securely.

**2.3 Ensure data reliability and validity.** To be useful, data must first be accurate at the source and appropriately relational across disparate sources. This strategy seeks to ensure data integrity for all sources. It will create efficient access to data and analytical results through a combination of business intelligence staff and self-service methods. This work stream will create standards for data verification and deploy the tools necessary to put information in the hands of those who need it, when they need it.

**2.4 Enable scalability.** The resulting framework must have the capacity to serve a growing base of stakeholders. This strategy will create the necessary structure to support future expansion to external and internal consumers.

**2.5 Develop workforce competencies for data and analytics.** The workforce necessary to support this new analytical approach is expected to include skills and experiences not typically found within traditional delivery systems. This strategy will identify the workforce attributes needed to support the proposed structure and design positions to attract them. This team will also focus on the training needs of our existing workforce to adapt to new methods and processes.

**2.6 Enhance data-driven decision making.** This strategy will explore the cultural changes necessary to ensure the optimal application of analytics in the operational environment. Components including communication, incentive structure, rapid decision making, and common language around the use of data will be critical elements within this work stream.

**2.7 Define partnerships.** While we will build some of this capability within the organization, we anticipate that certain aspects will be best served through strategic relationships. Ideal partners may be a combination of organizations within and external to the health care industry. This strategy will concentrate on ensuring a diverse set of insights is represented and that our network of collaboration is sufficiently wide.

**2.8 Shape experience.** The results of more robust analytics should be manifested in markedly improved experiences across a wide spectrum of customers. Such customer segments include patients, family caregivers, providers, employers and employees. This strategy will uncover the needs of each segment and develop methods to ensure adequate tracking of our performance against those demands.



# Enterprise Transformation Strategies: Next Breakthroughs

FY20 – FY24 Breakthrough Strategies	
Breakthrough Statement	Why It's Important
<b>Advance progress towards a diverse, engaged and talented workforce.</b>	Our most valuable resource is our team members – 30,000 strong. They will take us to where we want to go and provide excellent care and service to our consumers.
<b>Adopt and deploy technologies that enhance clinical quality, operations efficiency, consumer engagement, and cost restructuring.</b>	Technology can make processes more reliable, safer, and cost effective. And a technology-enabled consumer offers tremendous new opportunities for engagement. Both are important factors for our health company and the industry.
<b>Become consumer-driven, provided accessible, meaningful and flexible services, products and platforms.</b>	Our future is as a consumer-driven organization. Our value will be measured by how well we meet their needs on their terms .
<b>Make Prisma Health a high reliability organization.</b>	The commitment to elimination of preventable errors in clinical and business processes is a hallmark of organizations devoted to quality.
<b>Engage with consumers, stakeholders and communities to improve their health and well-being.</b>	The improvement of a community's health requires multiple constituents committed to long-term goals that will be achieved together – it is not something any one party does to another, or that can be done in isolation.
<b>Become a value-based health leader.</b>	A leader sets the standards, creates the policies, transforms the industry, and achieves exceptional results. We believe that being a value-based health leader helps improve SC's national health rankings.

# Priorities Beginning FY19: Performance and Positioning Strategies

## 1. Consumerism

Over the past several years, consumers have become more active and informed in making their health care decisions and are bearing more financial responsibility for payment for services. Also, as we move towards a model of health care that engages consumers before they become patients, the need to create brand awareness and develop loyalty becomes increasingly important. Key elements of consumerism for the purpose of this strategic plan include access, affordability, experience, and brand preference.

### FY19 Priorities: Consumerism

- a) Position Prisma Health favorably in the market from perspectives of brand awareness and image.
- b) Support an engaged and informed consumer by creating web-based tools that support enhanced access, and comparative reputation and quality scores.
- c) Develop a plan to provide alternative delivery platforms and price points for health care commodity services such as imaging and ambulatory procedures that can be implemented when determined advantageous by leadership.

## 2. Efficient Traditional Care Continuum

The main source of revenue and expenses today in the health company is within the traditional health care delivery system – hospitals, ambulatory sites, and physician practices. These are core businesses of the organization which must work in harmony with one another to support efficient patient movement along the Care Continuum in a cost effective manner. Key strategic priorities for the Care Continuum include: develop and operate an efficient comprehensive integrated care continuum; align investments in care delivery with our strategies; and standardize, consolidate and centralize programs and services to improve quality and restructure costs.

### FY19 Priorities: Efficient Traditional Care Continuum

- a) Acute care optimization and consolidation plan for Upstate and Midlands, including observation status. This will include facilities and programs.
- b) Ambulatory care optimization and consolidation plan for Upstate and Midlands; ambulatory facility prototypes and transition plans.
- c) Post-acute plan that i.) supports ambulatory and acute care optimization plans; ii.) addresses compassionate care for patients who are near end-of-life.

# Priorities Beginning FY19: Performance and Positioning Strategies

## 3. New Era Wellness and Health Models

The marketplace is demanding more value for what is spent on health care, and providing care in the way we have in the past will not meet these needs. Areas of focus for this area include: the development and deployment of digital health platforms; new care models that are disease and patient-focused and; providing care in lower cost venues such as outpatient, in schools, in the workplace, and at home.

### FY19 Priorities: New Era Wellness and Health Models

- a) Integrated behavioral health care model that address mental health disease prevention, diagnosis and treatment in the patient populations we manage and communities we serve.
- b) Care models needed to perform in Medicare Advantage, Medicaid Managed Care, and commercial insurance arrangements.
- c) Develop and begin implementation of a virtual/digital health plan that supports efforts in consumerism, growth, affordability, ambulatory and acute care efficiency, and access.
- d) Develop and deploy enterprise-wide community health initiatives that target population health indicators that affect SC health rankings

## 4. Smart Growth and Health Company Development

Healthcare growth and business development is and will continue to be a market share endeavor. Within each region we operate delivery systems, and we will continue to grow and develop program and services to achieve desired clinical profile and volume targets. Focus on this type of growth will be on: improving market share; filling gaps in the care continuum, and; reducing overlaps in capacity and services. The health company will also grow horizontally by aligning other delivery systems under existing affiliates or by creating new affiliates. It will also grow vertically through affiliates that incorporate areas such as health IT, retail services, insurance, etc.

### FY19 Priorities: Smart Growth and Health Company Development

- a) Growth and development in targeted clinical services and regions using an enterprise-wide process. The outputs of these plans will become inputs into annual Operating Plans and Capital Budgets. Initial clinical services focus areas Primary Care, Cardiovascular, and Behavioral Health. Others to be addressed include Cancer, Orthopaedics, Pediatrics, Women's, etc.
- b) Create a health company development plan that addresses i) Upstate and Midlands affiliates expansion opportunities that increase access to needed covered lives and support existing affiliates high-end specialty services ii) additional delivery system affiliates in South Carolina that establish new regions to implement our strategy, (e.g. Pee Dee, Coastal SC, etc.) iii) desirable growth areas in Southeast US with identification of target health systems, iv) potential non-delivery system affiliates.

# Priorities Beginning FY19: Performance and Positioning Strategies

## 5. Clinical Integration and Quality

We want the Prisma Health brand to stand for quality, affordability, access, and overall excellence. Our consumers will measure our performance in many ways, starting with their experience. A major driver of consumer experience in the health care setting is the quality of care they receive and how they receive it. Our goal is to establish enterprise-wide quality and service standards that achieve these through clinical integration of the affiliates by through the adoption and deployment of best practices.

### FY19 Priorities: Clinical Integration and Quality

- a) Standardize inpatient care in Upstate and Midlands for high opportunity inpatient cases. Results will be demonstrated through lower costs and higher quality outcomes.
- b) Continue alignment and integration activities of Upstate and Midlands clinically integrated networks.
- c) Establish Prisma Health quality plan that aligns corporate and affiliate activities and resources to achieve standard quality targets across the health company.

## 6. Value-Based Payment Model

Our emerging clinical model to deliver value-based care decreases traditional delivery system fee-for-service revenue streams. While we have some shared savings and pay for performance arrangements in place with payers, we will accelerate the transition of payment methodologies to align with our clinical models within a sustainable financial model.

### FY19 Priorities: Value-Based Payment Model

- a) Enter or expand value-based arrangements with Medicare Advantage plans, Medicaid Managed Care plans, Self-Funded employers, and Commercial. Increase lives under value-based health arrangements by 10,000-20,000 over next 24 months.
- b) Transition the Prisma Health Employee Health Plan into a model value-based offering.
- c) Address market demand for imaging and surgery pricing at freestanding rates by entering value-based arrangements that focus on total costs, not unit costs.

# Priorities Beginning FY19: Performance and Positioning Strategies

## 7. Academics

Workforce development and applied health research are two core elements of Prisma Health's academic activities. As Prisma Health, we have the strategic opportunity to leverage what is already in place to bring additional value to our customers, the organization and our academic partners.

### FY19 Priorities: Academics

- a) Develop and implement a plan to enhance the value of academics to the company and its academic partners (via Academic Council)

## 8. Partnerships and Affiliations

Improving the health and well-being of populations we actively manage relies on partnerships and affiliations with outside agencies and entities; improving the health status of communities we serve will require even more robust ones. The identification, recruitment and cultivation of outside parties in order to advance our strategies and priorities is imperative for us to achieve our ultimate purpose.

### FY19 Priorities: Partnerships and Affiliations

- a) Develop connected relationships with community partners and agencies to address social determinants of health for patients of the delivery system.
- b) Use our scale and influence to shape public policy and legislation in areas of interest to the organization. (e.g., Medicaid, rural health, legislation concerning access and delivery of health services, etc.)
- c) Align community sponsorships and government affairs across affiliates to support health company strategies.

# Priorities Beginning FY19: Operating Plans and Capital Budgets

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An important management function is the development and allocation of resources to achieve organizational performance targets and strategic goals. At steady state the annual operating plans and capital budgets, along with the long range forecast for Prisma Health, will be in complete alignment with the organization's strategic plan and its priorities. It will include investments and anticipated returns from programs, services, business lines, people, technologies, and market regions that meet short-term operating and financial targets and support our strategic priorities. Prisma Health's annual Financial Plan details these investments. For FY19 and FY20, management will align the strategic and financial plans so that by FY21 the processes and outcomes will be integrated.

A snapshot of selected strategic initiatives as part of the FY19 Financial Plan development process is included below (operating plan) and on the following page (capital budget).

Performance & Positioning Strategy	Operating Gain/(Loss) Impact (\$ in thousands)	Affiliate	TOTAL	FY 2019 F	FY 2020 F	FY 2021 F
<b>Growth &amp; Development</b>	Columbia Heart Group Acquisition	Midlands	\$ 13,600	\$ 3,581	\$ 5,011	\$ 5,008
	Spartanburg Strategy	Upstate	4,373	(105)	1,796	2,683
	South Central Strategy	Upstate	(1,398)	(219)	(771)	(408)
	Greenville Primary Care	Upstate	536	-	-	536
	Urology Expansion	Upstate	16,789	4,766	5,636	6,387
	Verdae Site Expansion	Upstate	3,460	(704)	2,003	2,160
	Greenville ENT Expansion	Upstate	3,119	-	-	3,119
	PH Heart Hospital Expansion	Midlands	6,631	-	2,750	3,881
PH USC MG MRI Expansion	Midlands	212	-	(423)	635	
<b>Efficient Care Continuum</b>	PH Tuomey ER Expansion	Midlands	(1,298)	-	(584)	(714)
	Greenville Memorial ER Expansion	Upstate	2,336	795	769	771
	Oconee Memorial ER Expansion	Upstate	653	13	13	627
	Regional Cancer Center	Upstate	(1,111)	-	(167)	(943)
	PH Richland Critical Care Expansion	Midlands	3,331	-	235	3,096
	Anesthesia Services Transition	Midlands	3,000	1,000	1,000	1,000
<b>Academics</b>	Clemson School of Nursing	Upstate	(13,273)	(4,983)	(5,249)	(3,041)
	GME Expansion	Upstate	(12,898)	(5,178)	(5,517)	(2,202)
<b>Total Operating Impact</b>			<b>\$ 28,062</b>	<b>\$(2,035)</b>	<b>\$ 5,502</b>	<b>\$ 21,595</b>

# Priorities Beginning FY19: Operating Plans and Capital Budgets

Performance & Positioning Strategy	Strategic Capital Requirements (\$ in thousands)	Affiliate	Five Year Forecast	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Growth &amp; Development</b>	Urology Expansion	Upstate	18,490	15,416	3,074	-	-	-
	Spartanburg Strategy	Upstate	19,700	12,050	7,650	-	-	-
	South Central Strategy	Upstate	27,815	7,815	7,700	6,900	4,350	1,050
	Verdae Site Expansion	Upstate	6,852	6,852	-	-	-	-
	MIP Replacement Hospital	Upstate	40,000	5,500	29,500	5,000	-	-
	Greenville ENT Expansion	Upstate	13,000	4,500	8,500	-	-	-
	PH Heart Hospital Expansion	Midlands	19,382	3,000	16,382	-	-	-
	Greenville Primary Care	Upstate	25,000	2,300	5,000	17,700	-	-
	PHUSCMG MRI Expansion NE	Midlands	2,900	-	2,900	-	-	-
	Tuomey/Lake City	Midlands	6,000	6,000	-	-	-	-
	PHUSCMG MOB 1401 Sunset	Midlands	41,400	-	10,350	20,700	10,350	-
ASC Parkridge	Midlands	31,600	-	7,900	15,800	7,900	-	
<b>Efficient Care Continuum</b>	PH Tuomey ER Expansion	Midlands	17,500	17,500	-	-	-	-
	Greenville Memorial ER Expansion	Upstate	5,708	3,000	2,708	-	-	-
	Oconee Memorial ER Expansion	Upstate	12,190	1,090	8,000	3,100	-	-
	Regional Cancer Center	Upstate	143,874	750	6,000	15,000	65,000	57,124
<b>Academics</b>	Graduate Medical Education (GME) Expansion	Upstate	18,500	8,000	10,500	-	-	-
<b>Capital Pools</b>	SCHC Strategic Capital Reserve	SCHC	50,000	10,000	10,000	10,000	10,000	10,000
	Other Projects	All	138,536	54,470	50,066	22,000	12,000	-
	Equipment and Minor Renovations	Midlands	367,000	45,000	72,000	93,000	78,000	79,000
	Equipment and Minor Renovations	Upstate	235,257	47,257	47,000	47,000	47,000	47,000
Total Prior Approved and New Requests			1,240,704	250,500	305,230	256,200	234,600	194,174
Total External Financing			(256,753)	(56,753)	-	(80,000)	(65,000)	(55,000)
Net Cash Impact			\$ 983,951	\$ 193,747	\$ 305,230	\$ 176,200	\$ 169,600	\$ 139,174
<b>Strategic External Financing</b>			<b>Five Year Forecast</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Regional Cancer Center - Debt Issuance			\$ 140,000	\$ -	\$ -	\$ 20,000	\$ 65,000	\$ 55,000
Other Projects - Debt Issuance			60,000	-	-	60,000	-	-
FY 2019 Projects			56,753	56,753	-	-	-	-
Total			\$ 256,753	\$ 56,753	\$ -	\$ 80,000	\$ 65,000	\$ 55,000

# Priorities Beginning FY19: Goals

The goals for the co-CEOs and the Executive Cabinet align with the strategic and operating imperatives of the health company. These goals address issues of finance, Breakthroughs (transforming the organization to deliver on the strategy), community health improvement, and culture (brand roll-out).

FY 2019 Co-CEO and Executive Cabinet Goals						
Goal Statement	5	4	3	2	1	Weighting
<b>Organizational Promise-</b> Create an efficient and sustainable organization to fulfill our purpose.						
Achieve an Operating Margin of 2.1%	3.1%	>2.1% and <3.1%	2.1%	>0.0% and <2.1%	<0.0%	30%
Breakthrough Strategy 1.0 Become a highly effective and efficient organization by leveraging the benefits of the health company	100% of Breakthrough Initiatives Achieved	80% of Breakthrough Initiatives Achieved	60% of Breakthrough Initiatives Achieved	40% of Breakthrough Initiatives Achieved	20% of Breakthrough Initiatives Achieved	10%
Breakthrough Strategy 2.0 Utilize data and analytics to advance clinical, operational, financial, and strategic imperatives by delivering common system-wide dashboards that meet the needs of the SCHC Primary Care Council.	Implement analytics capabilities to get insights and actions for Primary Care Council.		Deliver dashboard prototype to Primary Care Council.		Work with Primary Care Council to identify dashboard needs.	10%
<b>Quality-</b> Transform healthcare to improve the lives of the people we serve.						
Work to improve the quality and health status of the communities we serve by: A) Reducing Cardiovascular deaths/100,000 in SC to the National Mean by 2028 with a specific focus in 2019 on improving hypertension control rates across the SCHC footprint for patients seen in primary care. B) Reducing Cancer deaths/100,000 in SC to the National Mean by 2028 with a specific focus in 2019 on: Objective 1: Improving colorectal cancer screening rates across the SCHC footprint for patients seen in primary care; and Objective 2: Improving mammography rates across the SCHC footprint for patients seen in primary care.	For A: 1. Collect patient data from all primary care practices in SCHC needed for metric 2. Establish and validate SCHC baseline 3. Improve over the established baseline 4. Improve at least 50% of the way between the baseline and the NCQA Quality Compass 90th Percentile 5. Meet NCQA Quality Compass 90th Percentile  For B – Objective 1: 1. Collect patient data from all primary care practices in SCHC needed for metric 2. Establish and validate SCHC baseline 3. Improve over the established baseline 4. Improve at least 50% of the way between the baseline and the NCQA Quality Compass 75 <sup>th</sup> Percentile 5. Meet NCQA Quality Compass 75 <sup>th</sup> Percentile  For B – Objective 1: 1. Collect patient data from all primary care practices in SCHC needed for metric 2. Establish and validate SCHC baseline 3. Improve over the established baseline 4. Improve at least 50% of the way between the baseline and the NCQA Quality Compass 75 <sup>th</sup> Percentile 5. Meet NCQA Quality Compass 75 <sup>th</sup> Percentile					15%
Redefine the primary care model through practice transformation to improve non-traditional access.	Increase the percentage of average new primary care visits per physician by 1.5%	Increase the percentage of average new primary care visits per physician by 1.25%	Increase the percentage of average new primary care visits per physician by 1.0%	Develop best practices to improve access to primary care in both office-based and all alternative patient/provider encounters	Identify baseline data for all categories of primary care patient encounters (including both synchronous/asynchronous care)	15%
<b>Preparing for the Future-</b> Develop innovative strategies that position the health company to be a leader in healthcare.						
Design and execute a plan to engage internal and external stakeholders around the single unifying SC Health Company brand	Favorable to action plan schedule/ budget by >10%	Favorable to action plan schedule/ budget by 5-10%	Achieve 90-100% of Activation Plan	Achieve 80-90% of Activation Plan	Achieve <80% of Activation Plan	20%



# Conclusion

This is a strategic plan for an organization that goes beyond providing excellent care and service to its patients. It is for a health company that is **committed to improving the health and wellbeing of people and communities it serves**. It is for **Prisma Health**, an organization 30,000 team members strong with sites of care within 15 minutes of 42% of South Carolina's residents, organized and operated **to achieve a better state of health**.

Prisma Health was formed on November 21, 2017 by Greenville Health System and Palmetto Health. The Board and executive leadership of these two successful organizations saw an opportunity to create a new type of health company that could provide innovative solutions to the challenges facing the health care industry and its consumers. **Simply put, the severe impacts of poor health in our state are not sustainable**. South Carolina has some of the highest rates of obesity, diabetes and cardiovascular and pulmonary disease in the country. We are experiencing increasing instances of addiction and untreated mental illness without adequate treatment options. These and other health challenges are better addressed by and through our new health company – one with the scale, scope and resulting resources to more meaningfully address the high cost of poor health outcomes in our state and communities we serve. **To achieve a better state of health**.

This inaugural strategic plan for Prisma Health is a roadmap to operationalize this new company and mobilize it to address these challenges. There are seven (7) platforms that comprise our strategic plan that include the **foundations of the organization** and **long-term and short-term strategies and plans**. These platforms will transform the organization over time while maintaining focus on improving performance in today's competitive environment.

**We start from a strong position**. GHS and Palmetto Health are robust health care systems with significant resources and reach. Both have made significant investments in population health and academic programs – essential building blocks for the future of the organization. We are building on lines of business and functions that include: clinical care, academics, value-based health, prevention, wellness, retail services, digital health, education, health-related research, predictive analytics and decision support.

This plan prioritizes actions that focus the organization on the critical steps required for long term success by **creating unity throughout the organization**. Unity of purpose, culture, governance, management, finances, strategy, brand and experience. **This is the promise of Prisma Health**. Built upon strong foundations of the founding systems and transformed into a new health company to: **Inspire Health. Serve with Compassion. Be the Difference**.

## Prisma Health–Midlands

- Prisma Health Baptist Hospital
- Prisma Health Baptist Parkridge Hospital
- Prisma Health Children’s Hospital
- Prisma Health Heart Hospital
- Prisma Health Richland Hospital
- Prisma Health Tuomey Hospital

\*All the hospitals listed above are covered under the Prisma Health strategic plan.