

MEDNAX®

Roger J Medel, MD Chief Executive Officer



MEDNAX: A History of Growth



1 x STATE

1980

TODAY



> 10 x SPECIALTIES

> 3,000 PHYSICIANS



> 10,000 EMPLOYEES

> \$ 2.4B

ANNUAL REVENUE



> 90 ANESTHESIA CONTRACTS



50 STATES & INTERNATIONAL

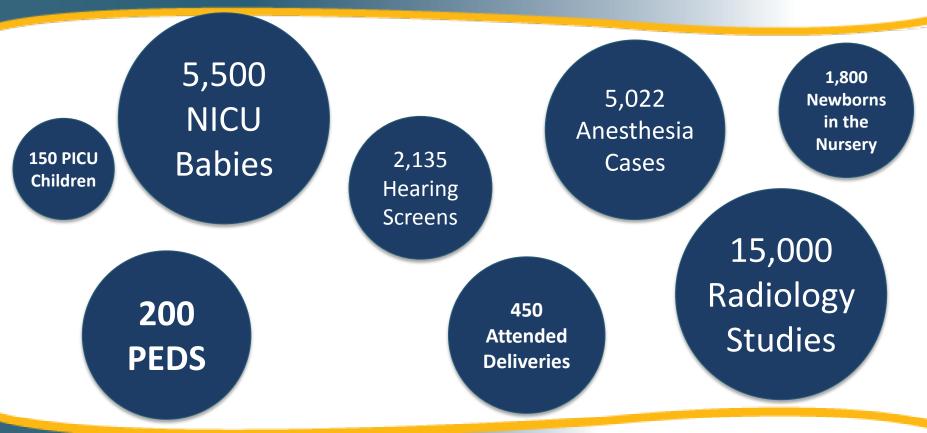
> 370 NICU CONTRACTS





CONTRACT

Today, Every Day at MEDNAX













MEDNAX®

Operations Overview

Karl Wagner, President Eastern Division David Clark, President Western Division

Karl Wagner

1995-1997, East Region ASC Group of HCA

1997-1998, Controller, Pediatrix Medical Group

1998-2010, CFO, Pediatrix Medical Group

2010 - April 2015, President, American Anesthesiology





David Clark

2000 – 2001, VP Operations, Magella Healthcare

2001 – 2003, RVP South Central Region, Pediatrix Medical Group

2003 – 2008, SVP Operations, Pediatrix Medical Group

2008 – April 2015, COO, Pediatrix Medical Group





Realigning for the Future

Our History

Organizational Changes

Why Realign?





Realigning for the Future

Our History

Organizational Changes

Why Realign?





Historical Perspective - Growth

2000 Pediatrix

- 452 Physicians, 1,419 Employees
- Neonatology & MFM
- Net Revenue \$243M

2008 MEDNAX

- 1,274 Physicians, 4,977 Employees
- Anesthesiology + 6 Specialties within Pediatrix
- Net Revenue \$1.07B

2015 MEDNAX

- >3,000 Physicians, >10,000 Employees
- > 10 Specialties + Complementary Service Offerings (TeleRad, RCM)
- Net Revenue > \$2.4B





Historical Perspective - Growth







Realigning for the Future

Our History

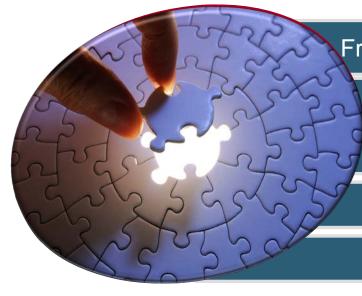
Organizational Changes

Why Realign?





Organizational Changes



From Specialty based to Geographically based

Western Division and Eastern Division

One unified organization under MEDNAX

New Clinical Services Division

New Shared Services Division





Realigning for the Future

Our History

Organizational Changes

Why Realign?





Realigning for the Future: Why the Realignment



Changing Needs of Health System Partners

Movement to Value Based Reimbursement

Hospital Reimbursement Reductions

Increasingly Competitive Environment

IHI Triple Aim





Realigning for the Future: Why the Realignment



Develop Single Point of Contact for Our Hospital Partners

Listen to Hospital Needs

Responding with Programs and Potentially Developing
Programs to Advance Partnership

Recognize That Not Every Market Will Develop in the Same Manner

Add Services to Meet Hospital Concerns





Pediatrix/American Anesthesiology Overlap







Top Issues Confronting Hospitals

American College of Healthcare Executives 2014 Survey of Hospital CEOs

Financial Challenges

Government Mandates Healthcare Reform Implementation

Patient
Safety &
Quality





Hospital Financial Challenges

Financial Challenges (n = 338) ¹	
Medicaid reimbursement (including adequacy and timeliness of payment)	69%
Bad debt (including uncollectable emergency department and other charges)	67%
Decreasing inpatient volume	63%
Medicare reimbursement (including adequacy and timeliness of payment)	57%
Competition from other providers (of any type-inpatient, outpatient, ambulatory care, diagnostic, retail, etc.)	55%
Government funding cuts (other than reduced reimbursement for Medicaid or Medicare)	55%
Increasing costs for staff, supplies, etc.	55%
Revenue cycle management (converting charges to cash)	39%
Managed care payments	37%
Other commercial insurance reimbursement	37%
Inadequate funding for capital improvements	32%
Emergency department overuse	26%





Healthcare Reform Implementation

Healthcare Reform Implementation (n = 338) ¹	
Reduce operating costs	78%
Shift to value-based purchasing	66%
Alignment of provider and payor incentives	65%
Align with physicians more closely	54%
Develop information system integrated with primary care MDs	48%
Regulatory/legislative uncertainty affecting strategic planning	47%
Study avoidable readmissions to avoid penalties	46%
Hire one or more primary care physicians	35%
Obtain funding from the American Recovery and Reinvestment Act for electronic records (meaningful use)	32%
Study avoidable infections to avoid penalties	26%





Why the Realignment: Triple Aim Defined

Ensuring a high level of patient satisfaction and engagement

Improving the health of the population we serve

Providing cost effective care

These will be our guiding principles going forward





Realigning for the Future: one MEDNAX Defined



One Company, One Brand, One Voice



Historical Perspective - Growth







Market Case Study - Nashville

HCA Flagship Hospital in Nashville

657 bed women's and children's hospital with a large delivery service

In 2012, on-site Level III NICU (MEDNAX) with limited subspecialty support by local non-HCA children's hospital

Goal of Centennial to expand Children's Hospital services required for addition of pediatric subspecialty support and related services









Market Case Study - Nashville

MEDNAX partnered with HCA to develop and implement a strategy for addition of required pediatric subspecialty and related services

MEDNAX established new practices at Centennial in:

- Pediatric Intensive Care
- Pediatric Hospitalists
- Pediatric Cardiology
- Pediatric Surgery
- Pediatric Urology
- OB Hospitalists

MEDNAX assisted HCA in developing other related services









MEDNAX®

Clinical Services Division

Michael Stanley, MD, President Clinical Services

Michael Stanley, MD

1980-1997, Medical Director, Cook Children's Ft Worth NICU

1997-1999, Medical Director, Ft Worth Neonatal

1999-2001, Regional Medical Officer, Pediatrix

2001-2012, South Central Region President, Pediatrix

2012-2015, Division President, Pediatrix

April 2015 – President, Clinical Division

Clinical Services

"...supporting clinicians at the bedside, developing and enhancing quality, safety and other programs across all specialties to ensure best practices and consistency across the organization."

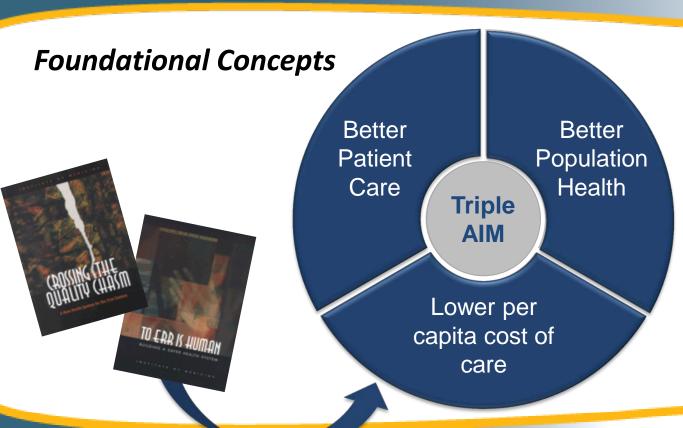
Roger Medel, M.D.

MEDNAX National Medical Director Meeting
San Diego, 2015





Healthcare Reform



- Safety
- Effectiveness
- Patient Centeredness
- Timeliness
- Efficiency
- Equity





Clinical Services Division: Department

Advanced Practitioner Program

- Oversight of Mid level provider issues
- Educational & Quality Programs

Coding Education & Audit

- ICD-10 Conversion
- Ongoing Audit Function
- CMS/State & Commercial Compliance

Clinical Information Systems

- Hospital Based: Babysteps/iNewborn/ECAPPS
- Office Based Systems: Nextgen PACS

Office Based Practices

- Workflow Process Improvement
- Standardization & Optimization Initiatives





Clinical Services



- Outcomes Research
- Clinical Trials
- Sponsored Research



- CQI Summits
- Clinical Advisory Board



- Patient Safety Initiative
- Simulation



- Clinical Meetings
- Outlier Program







Specialty Initiatives

Neonatal Clinical Data Warehouse

- 1,000,000+ patient records
- Represents a 5,300 bed virtual NICU
- Fed by Babysteps, a MEDNAX proprietary health information system

Anesthesiology
Quantum Data
Registry

- Approved CMS Data Reporting Registry
- 17 reportable metrics; 83 practice level quality metrics

Maternal Fetal Medicine

- Nextgen Medical Record Extraction
 - Team of Physicians, Research Nurses & Clinical Staff
- Multicenter clinical & basic research Projects

Cardiology

- Multisite clinical collaboratives
- Development of Quality Metrics & CDW underway

Ever-Increasing Data Demand

Sponsored Trials

- Pharma Co.
- Device Mfgr

Core Research

- Duke University
- Gates Foundation

Internal Queries

Outcomes Research







100K Babies Campaign

CQI Summit Meetings: 3X/year; Multidiscipline:

Neo/PICU/CARDI/MFM

Practice/Hospital Collaboratives: DFW, San Antonio

Outliers Program

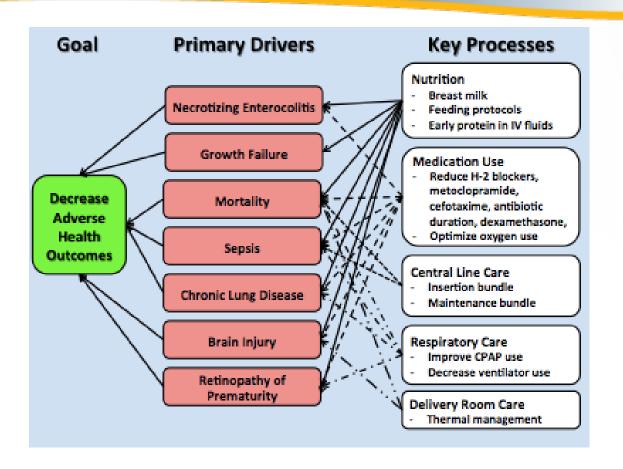
Simulation





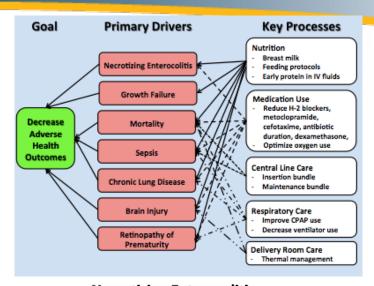


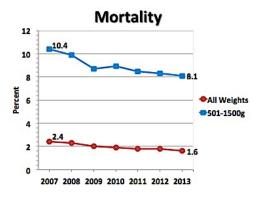
100K Babies Campaign

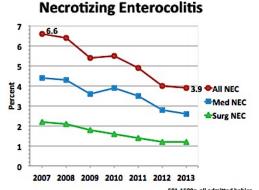


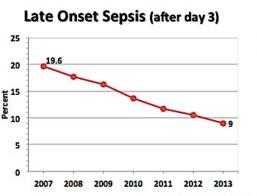


100K Babies Campaign





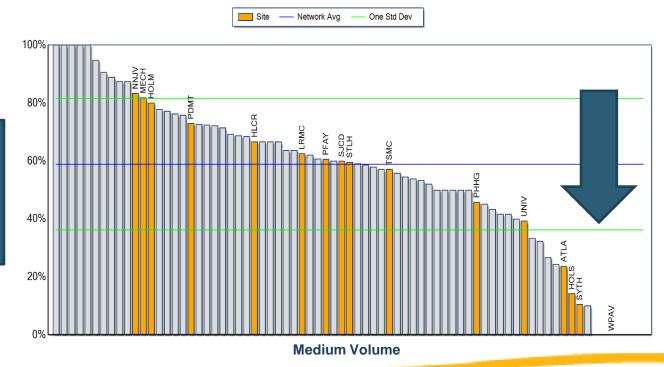






Outliers Program



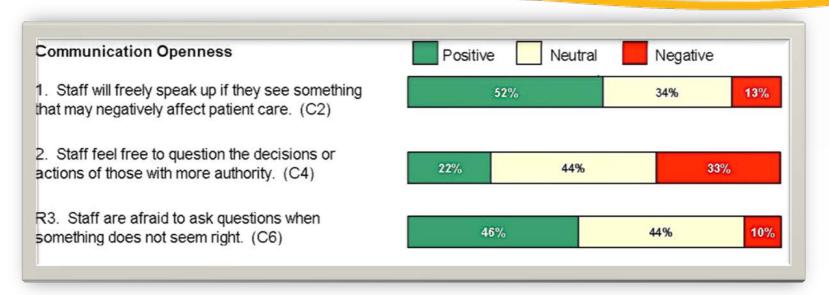








Safety Climate Survey



"...one of the hallmarks of a High Reliability Organization is when the most junior person is willing to speak up to the most senior on matters of patient safety...."



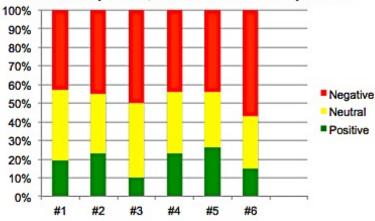




Communication Openness

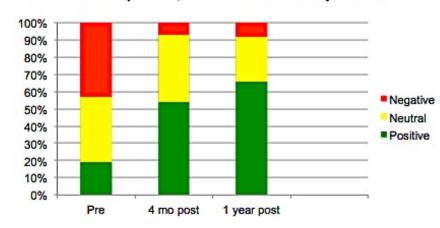
Pre HRO

Q31: When a mistake is made but has no potential to harm the patient, how often is this reported?



Post HRO

Q31: When a mistake is made but has no potential to harm the patient, how often is this reported?









Clinician and System Competency

<u>Multi-disciplinary</u>

- Emergency
- Trauma
- Code/OR Fire

<u>Competency</u>

- NNP
- Physician









MEDNAX®

Business Development Steve Collins, SVP

Business Development



Contributes to MEDNAX corporate growth objectives by completing strategic acquisitions that are accretive to earnings.

Acquisition growth funded by investing cash flow from operations and utilizing MEDNAX's existing credit facility.

Target Areas:

- Hospital based specialties
 Anesthesiology, Neonatology, PICU, Pediatric Hospitalist
- Office based specialties
 Pediatric Cardiology, Perinatology, Pediatric ENT,
- 3. <u>New business lines</u> Surgical Directions, MedData, vRad

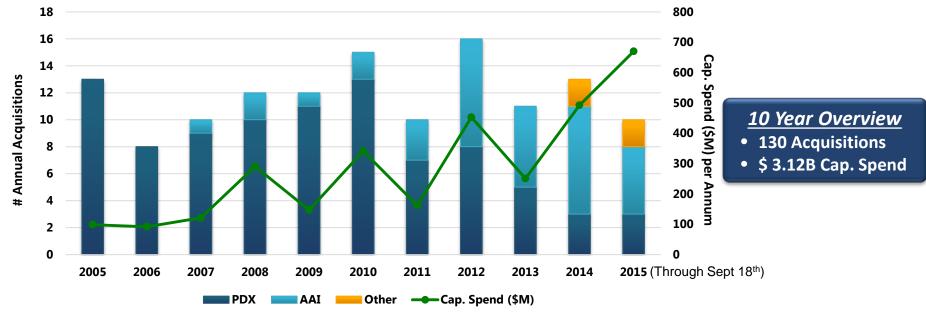
Track record of closing acquisitions each year has contributed to consistent, double digit earnings growth





Acquisitions – 2005 to 2015 YTD









Business Development Team

Transaction Leaders

Steve Collins, Sr. Vice President

3 Vice Presidents

3 Directors

Market Development

1 Manager

1 Analyst

Valuation and Due Diligence

2 Senior Analysts

4 Analysts

Administrative Support

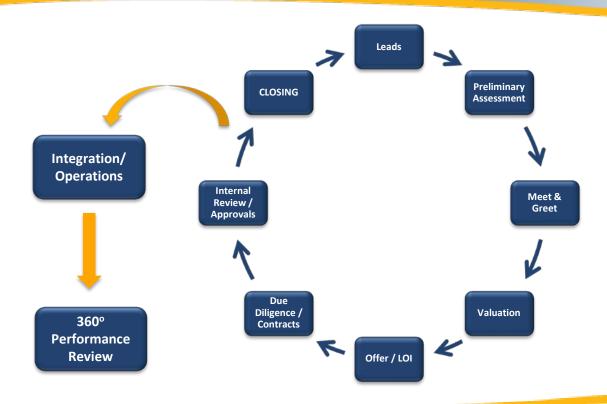
1 Executive Assistant

1 Administrative Assistant





Business Development Process







Deal Sourcing



- Market Planning and Research
 - Broad database of potential targets
 - Prioritization
 - Outreach
- Brokered Deals
- Existing MEDNAX Physician Groups and Medical Directors
- Regional Management
- Direct Inbound
- Conferences





Preliminary Assessment



- Geographic location
- General mix of payors
- Connectivity to other MEDNAX physician groups, operations and customers
- Early intelligence on practice dynamics, clinical reputation, hospital relationships, etc.
- Profitability, subsidies, qualitative assessment of opportunity for synergy





Meet and Greet



- Gather additional information about the practice
- Provide background and overview of MEDNAX
 - value-adds of our proven clinical and business models
 - culture and fit
 - track record
- Discuss process and timing
- Initiate actionable steps for moving to the next stage in the process





Key MEDNAX Advantages



- MEDNAX's commitment to clinical excellence, quality improvement programs, research and education
- Experience in navigating uncertain outlook in healthcare regulation and reimbursement
- Physician engagement at all levels of company management
- Physicians maintain clinical autonomy and control over their schedule
- Proven track record of physician satisfaction and low turnover
- Opportunity for liquidity
- Incentives for growth and strong performance





Valuation



- Financial model built off of forward-looking earnings:
 - Foregone shareholder compensation
 - Synergies
- Shareholder compensation typically adjusted downward
 - Important to understand staffing costs and needs at this stage
- Anesthesia multiples have trended higher as competition has intensified





Purchase Offers



- Practice purchase
 - Cash at closing
 - Contingent consideration
 - Primary assets acquired are goodwill and fixed assets
 - Limited assumption of liabilities
 - Tax efficient structures
- Employment
 - Long-term employment offered to shareholders
 - Associate physicians and extenders offered shorter term employment agreements
 - Participation in an incentive plan
- Upon agreement on the transaction business terms, enter into a non-binding letter of intent





Due Diligence



- Detailed due diligence review performed on all physician groups
 - Financial
 - Legal
 - Coding and compliance
 - Medical malpractice
 - Human resources
 - Operations
 - Hospital and referral relationships
- Integration and Operations materially participate in diligence to prepare for transitioning and operating the practice post-closing
- Process credentialing applications for all physicians and advanced practitioners
- Negotiate definitive documents including a Purchase Agreement and Employment Agreements
- Pursue required third party consents such as hospital contracts and leases





Approvals



- Thorough internal review process Acquisition Review Committee (ARC) for executive approval
 - ✓ All critical functional areas have signed off
 - Credentialing committee has approved providers
 - ✓ Operations ready to integrate and operate the practice
- Deal closed, funded and announced





360 Degree Deal Review



- Comprehensive look back on deal performance relative to expectations
 - Volume
 - Payor mix and reimbursement
 - Staffing levels and costs
 - Other operating expenses
- Functional areas involved include Business Development, Integration, Finance and Operations
- Apply lessons learned repeat successes, reduce deficiencies





Risk Mitigation



- Acquisitions carry a certain degree of risk that could impair returns on investment
 - Changes in hospital relationship, requirements or financial terms
 - Physician productivity post-closing, particularly office-based
 - Culture and fit
 - Exposure to pre-closing liabilities and claims
 - Resistance from payors to add new physicians to managed care agreements
 - Market, regulatory and reimbursement forces
- MEDNAX continually assesses and mitigates risk
 - Thorough and collaborative due diligence
 - Meeting with hospital administration pre-closing
 - Contingent consideration where warranted
 - Solid transaction agreements
 - Restrictive covenants





Opportunities and Challenges



Positive Forces

- Changes in healthcare have more practices open to at least exploring options
- MEDNAX track record frequently positions us as an attractive partner
- Market alignment with Triple Aim consistent with how MEDNAX has developed our model over time
- MEDNAX widely seen as a positive from culture and fit standpoint

Challenges

- Hospital demands
- Competitive environment
- High volume of leads varying quality
- Ensuring consistent flow to maintain target growth rate







MEDNAX®

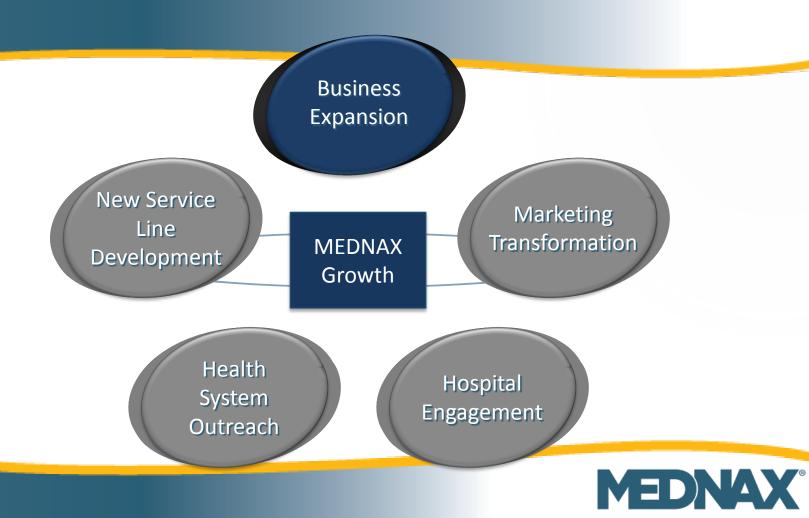
Business Expansion

Jim Swift, MD, FAAP Chief Development Officer









Business Expansion Development



Emphasis from acquisitive growth to market based, organic growth

Active development of organic growth on a national basis with focus on core service line expansion

Detailed market analysis and customer engagement both at a local level and through Divisional initiatives for growth

Catalog hospital service needs and growth plans: key in existing and new relationships

Becoming a "Solutions Partner" where service line development makes sense





Business Expansion: Focus on Organic Growth

Lead Generation on Multiple Touch Points

Current Hospital Relationships New
Opportunities
Outside
Current
Partners

Cross Sell between Core Business and Portfolio Service Lines

- Cross sell between current service lines
- New opportunities in existing services extended to new facilities
- Identify market needs for healthcare partners

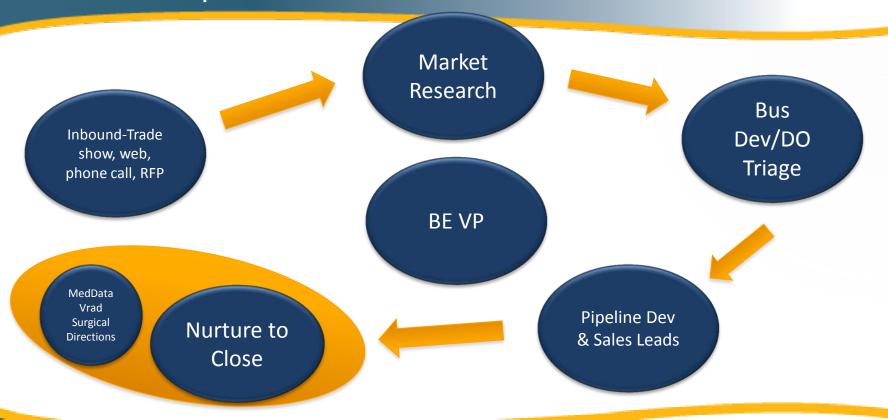
- RFP responses; alternate channel engagement
- Inside sales lead generation
- Distributive sales team engaging to corresponding level decision maker

- Sales Team Coordination
- Business Intelligence from Portfolio Companies





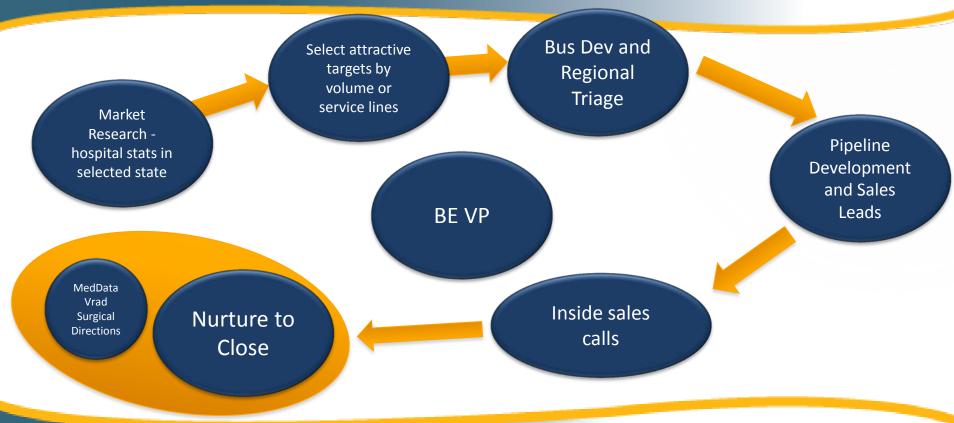
Business Expansion: Inbound Process







Business Expansion: Outbound Process







Business Expansion and Marketing Collaboration

Meetings with BE, vRad, Surgical Directions & MedData



Define common goals, process and customer engagement

Resource Allocation for Sales and Marketing

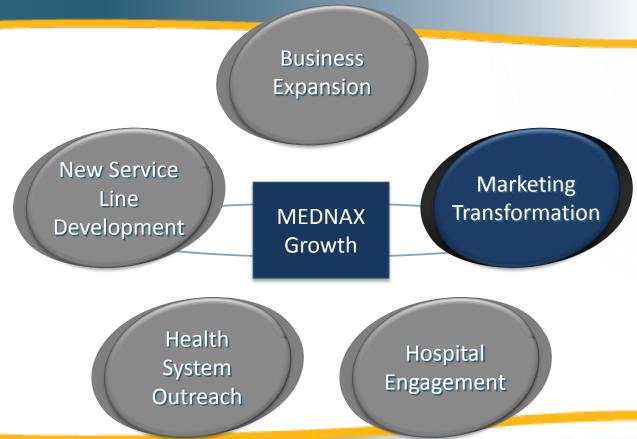
Create a pathway for cross selling, up selling services and customer hand off

Prevent unnecessary collisions in lead generation and sales

Develop a more cohesive sales and marketing process











Marketing Transformation: People



Hired Director of Marketing and Growth Initiatives

New Marketing Manager solely for Physician Practice Strategy

Aligning where possible with Surgical Directions, vRad and MedData Marketing in Sales/Marketing Messaging

Realigned Department into 5 Key Areas to align for Best in Class, Marketing Driven Organization





Marketing Transformation: People

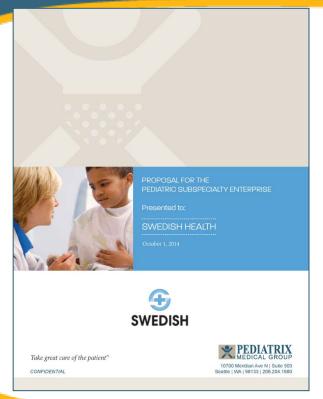


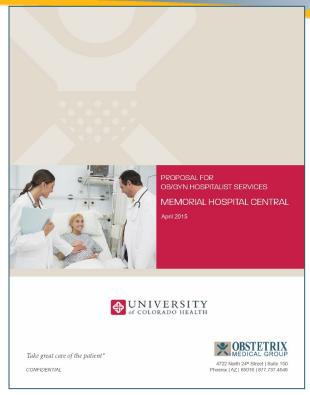
From Company-Driven, Internally Focused, to Market Driven, Customer-Focused

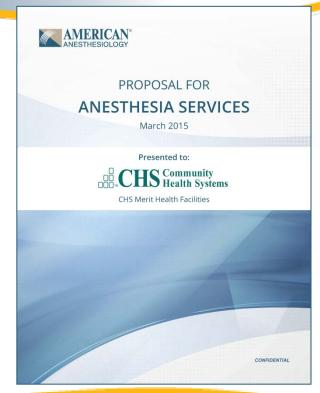




Marketing Transformation: Performance Custom RFP's and Proposals



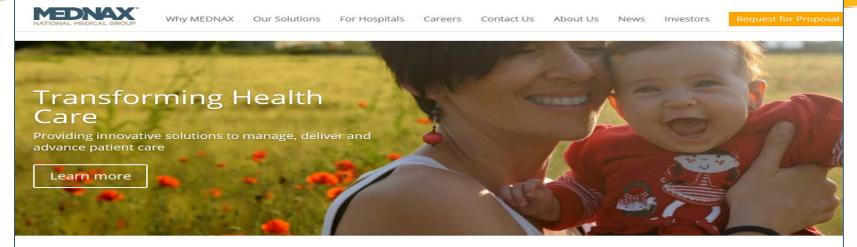








Marketing Transformation: Performance



For Hospitals

Explore our comprehensive scope of services and solutions

Partner with us

Request for Proposal

Providing customized solutions to meet your changing needs

Submit an inquiry

Careers

Shape the future of health care with a business or clinical career at MEDNAX

Join our team

MEDNAX, Inc., is a nat services. Physicians evidence-bas Redesign and Refresh of MEDNAX.com

tric physician subspecialty and subspecialties, using ost-effective care.





Marketing Transformation: Performance

American Society of Anesthesiology Conference



Pre-conference mailer to all attendees

Wine/food sponsor at welcome reception

10 x 20 exhibit space

National Press release

Twitter, Facebook and LinkedIn posts





Marketing Transformation: Our Presence









Performance: Market Leadership

- ✓ April issue of Becker's Hospital Review
- ✓ Promotion of speakers, positioning MEDNAX as an industry leader/soft sell
- ✓ Reach: 18,500 health care leaders



Transforming health care through data-driven solutions

Join us at Becker's Hospital Review 6th Annual Meeting, May 7-9, and hear insights from industry leaders.



Richard Gilbert, MD, MBA Chief Medical Officer, MEDNAX

Bending the Health Care Cost Curve: Using Data to Drive Value in Health Care Thursday, May 7, 2:15-2:55 pm



Alan Spitzer, MD, Senior Vice President and Director Center for Research, Education and Quality, MEDNAX

Harnessing Data to Improve Care and Reduce Costs: Creating a Quality Culture in a Cost-Cutting Era

Friday, May 8, 2:10-2:50 pm





AHA San Francisco 2015



- ✓ Pre-conference mailer to approx. 600 hospital contacts
- ✓ 10 x 20 exhibit space
- ✓ Press release
- ✓ Social media posts





Pediatric cardiology national newsletter – 10K+ reach

The Beat Issue 2

Contents

Clinical Case: The Child with High Cholesterol

Congenital Heart Disease Quiz:

a Cardiologist

Preventive Cardiology Frequently Asked Questions

Crossword Puzzle

Pediatrix Cardiology Practices

Editorial Board

Ashish Sureka, MD, MPH Dallas, TX

Margate, FL

Kelly Woodbury, BS St. Petersburg, FL

Hanoch Patt, MD, MPH Austin, TX

Created by Pediatrix Marketing



Clinical Case: The Child with High Cholesterol By Ashleigh Payne, MD

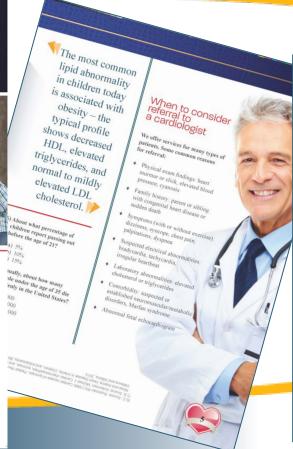
An 11-year-old without a concerning family history has a fasting lipid panel at his parents' request; total cholesterol 260 mg/dL, LDL 193 mg/dL, HDL 45 mg/dL, triglycerides 110 mg/dL.

- 1.) What is the next step to treat this patient?
- 2.) Does this patient need a statin?

The National Heart, Lung, and Blood Institute recently recommended screening all children for lipid disorders. Unfortunately, risk-based screening was found to miss 30% to 60% of children with dyslipidemia. Some patients have a familial predisposition to high cholesterol; childhood obesity has also increased the incidence of elevated cholesterol in childhood. Studies have shown that high childhood cholesterol predicts earlier adult atherosclerosis, and decreasing lipids over a lifetime decreases atherosclerosis. Pediatricians play an important role in preventing adult coronary artery disease and stroke by screening children.

(continued on page 2)







For more information visit us at: www.pediatrix.com

PEDIATRIX CARDIOLOGY PRACTICES -

Pediatrix Cardiology is a national provider of outpatient and inpatient cardiology care of the fetus, infant, child and adolescent, as well as adults with congenital heart disease. Our affiliated cardiologists provide care to patients through 21 practices.



Symbol represents primary office location for each practice. Practices may also have outroach clinics located throughout the state and in neighboring states. For a comprehensive listing of all clinic locations, please contact your local provider.

Arizona Pediatric Cardiology

Child Cardiology Associates Fairfier, VA Rockville, MD

Children's Cardiology Associate

Children's Hearts Nashville, TN Children's Heart Center

of El Paso

Nashville Pediatric Cardiology Nashville, TN

Pediatric Cardiology Associates St. Petersburg, FL Pediatric Cardiology Associates

Pediatric Cardiology of Austin Dallas, TX

Pediatric Heart Centre

Pediatrix Cardiology Associates of New Mexico Albuqueque, NM

NorthWest Congruital

Heart Care

Smills, WA

of San Antonio

Breward County, FL

Pediatrix Cardiology of Dollar. Dallas TN

Pediatrix Cardiology of Missel Pediatrix Cardiolog

of North Texas

Pediatrix Cardiology of Orange County

Pediatrix Cardiology



of Palm Beach

of Springfield

Cardiology

Casper, WY

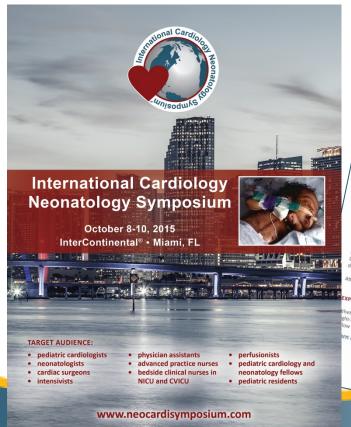
Springfield, MO

Pediatrix Cardiology

Rocky Mountain Pediatric

We value your feedback. Please let us know what you think of The Beat and provide future topic recommendations at surveymonkey.com/s/thebeatfeedback

CREQ Support





As neonatal cardiac care becomes increasingly complex, optimal outcomes will be obtained when neonatologists diologists work together as a team. On behalf of our organizing committee we would like to invite you iference featuring over 35 national and international distinguished faculty known for their and teaching abilities in both neonatology and cardiology. This three-day conference will inforced be careful to the diagnosis, management and outcome of most up-to-date information on topics related to the diagnosis, management and outcome of ardiovascular disease, including the daily challenges faced in managing neonates with congenital an isolated patent ductus, pulmonary hypertension and arrhythmias. We will also explore the acts of cardiovascular disease on the neonatal fune, brain and kidney.

NAL SESSIONS

m - 9:30 am D-Transposition of Great Vessels

Thursday, October 8, 2015 Optional Pre-Conference

al Congenital Heart Disease in the Neonate - Moderators: Leo Lopez & Erik Ellsworth -

Paul Weinberg

	Total Anomalous Pulmonary Venous Return	Leo Lopez
	Hypoplastic Left Heart Syndrome (HLHS)	Richard G. Ohye
am - 10:00 am	Break and Visit the Exhibits	
00 am - 11:30 am	Ebstein's Anomaly	Paul Weinberg
	Pulmonary Atresia/Intact Ventricular Septum	Erik Ellsworth
	Tetralogy of Fallot and Pulmonary Atresia	Redmond Burke
1:30 am - 12:00 pm	Critical Aortic Stenosis	Paul Weinberg
		Joseph Graziano
12:00 pm - 1:00 pm	Lunch and Visit the Exhibits	
1:00 pm - 1:30 pm	Matching Genotypes with Anatomy: "An Understanding	Paul Weinberg
	Beyond DiGeorge"	Betsy Goldmuntz
1:30 pm - 2:00 pm	Heterotaxy: "Two Wrongs Do Not Make a Right"	Paul Weinberg
		Meryl Cohen

Day 1: Thursday, October 8, 2015

- PLENARY #1: Neonatology & Cardiology Teamwork - Moderators: Mitchell Cohen & Alan Spitzer

3:00 pm - 3:15 pm	Opening Remarks	Mitchell Cohen
3:15 pm - 3:30 pm	Defining or Refining Neonatal CHD: Concepts of Teamwork	Gil Wernovsky
3:30 pm - 3:50 pm	Categorizing CHD Based Upon Complexity and Expected Postnatal Course	Jack Rychik
3:50 pm - 4:10 pm	"It Is All in the Genes": De Novo Mutations and CHD	Betsy Goldmuntz
4:10 pm - 4:30 pm	The Pragmatic Neonatologist in the Pre-op Cardiac Baby	Lance Wyble
4:30 pm - 4:50 pm	What the Surgeon Needs from the Neonatologist	Richard G. Ohye
4:50 pm - 5:10 pm	Balancing Prenatal Selective Hearing with Parental Expectations from the Team	Kathy Mussatto
5:10 pm - 6:10 pm	Honorary Lecture: Surviving and Thriving from Childhood Disease	Tiffany Christensen
6:30 pm	Welcome Reception and Visit the Exhibits	

Government Relations Support



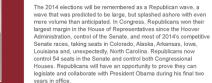


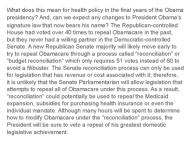


- ► A Message from our CEO
- ► Election 2014: What a Republican Senate May Mean for Health Policy
- CREQ Success: Breast Milk Benefits and Education for Policymakers
- Medicaid Parity After 2014: What's Next?
- Inaugural Lobbyist Conference Prepares Us for Tomorrow, Today
- Veterans Affairs Health Care Legislation: A Legislative Call to Action
- ► MEDNAX PAC at a Glance



ELECTION 2014: What a Republican Senate May Mean for Health Policy





Republicans hope that this exercise will show voters how they would execute a strategy to strip the health care law of parts they find unacceptable or problematic, should they take back the White House and keep control of Congress in 2016.



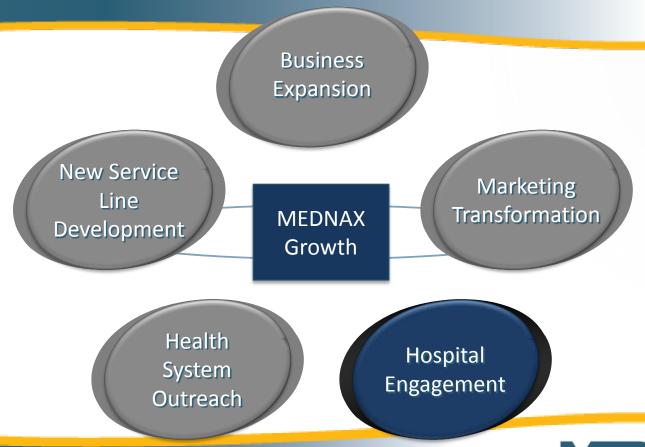
By Darren Patz, Esq., Vice President Government Affairs

Highlights include:

- ★ Health policy in the final years of the Obama presidency
- ★ The future of Medicaid payments to primary care providers and pediatric subspecialists
- ★ Solving Medicare's sustainable growth rate
- ★ Our approach to the new Congress

2015 Analyst and Investor Day









Hospital Engagement



Top Down and Bottom Up Approach to System Engagement

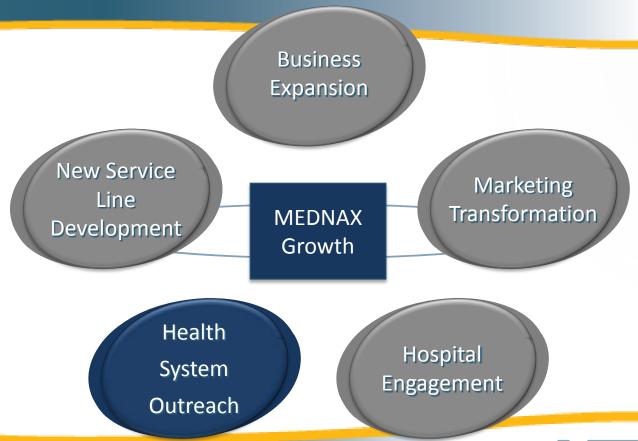
Monthly/Quarterly corporate meetings with Key Health System Partners

Academic, University Health System and Children's Hospital Engagement

Broader outreach to Community Hospitals through GPO's Nationally











System Outreach: Enhancing the Conversation



Development of Clinical Quality Metricsand national reports

Better understanding of strategic initiatives in core service lines and new service offerings

Better understanding of disconnect between corporate and local markets

Introduction of Portfolio Offerings and New Service lines

Conversations on business relationships and contracting methodology



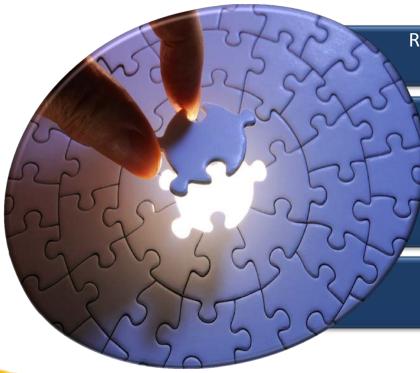








New Service Line Development



Respond to requests from hospital partners to augment current service lines to add specialty depth

Pediatric medical and surgical subspecialties

Telemedicine services

Initiate or enhance clinical relationships with University and Academic Children's Hospitals: Inclusive of new business opportunities

Evaluate new clinical services as well as business relationships that may fall into our acquisition strategy or serve as a de novo entry into a new clinical space











Ann Barnes President



Company Overview

MedData, Inc. is among the nation's leading providers of revenue cycle management services including coding, billing, early out/patient pay, and patient satisfaction services – all with a proven compliance record.

Company Overview

- Founded in 1980; headquarters in Ohio
- 400 employees
- 150 customers
- 700+ medical facilities
- 3,500+ physicians across 44 states
- 8 million patient visits and over \$3 billion billed annually

Locations

- Corporate office in Brecksville, Ohio
- Additional offices in Grand Rapids, Michigan; Bellevue, Washington; Roseville, California; and Peoria, Illinois
- Four offshore partners with 1,500 dedicated resources in India and the Philippines

Markets Served

- Hospitals
- Hospital-affiliated physician practices
- National staffing companies
- Over 40 specialties
 - Emergency Medicine, Pathology, Hospitalists, etc.

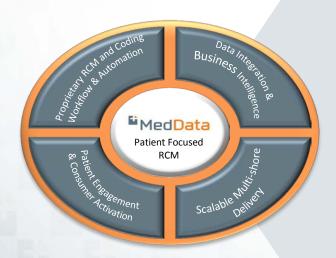
Services Overview and IP

- Broad RCM services suite covering the entire physician and facility coding & billing workflow
- Unique early out/patient pay and engagement capabilities
- Unified platform leverages proprietary IP and automation
- Fully integrated "multi-shore" delivery model
- Sophisticated data analytics



MedData - Service Offering Overview

MedData Service Offerings

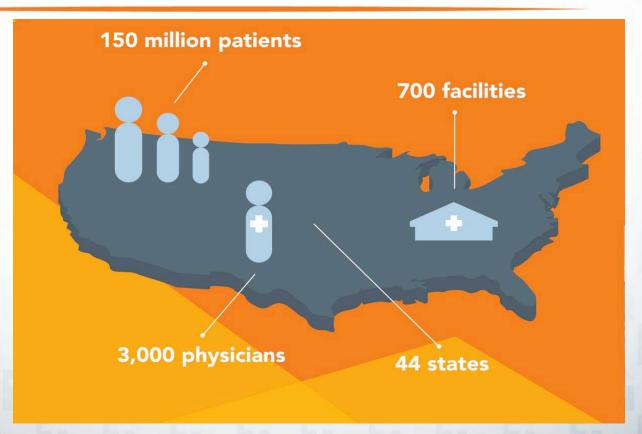


Core RCM and Patient Engagement Services

- Comprehensive suite of RCM services including coding, billing, and collections for various hospital based-specialties including:
 - HIPAA and billing compliance management
 - Charge capture, coding, billing, and claims filing
 - Managed care credentialing and contract services
 - Regular audits of coding, compliance, timeliness and completeness
 - Payment posting, revenue reconciliation, and refund processing
 - Appeals, collection, and follow-up
 - A/R analysis
 - On-demand, standard, and custom reporting
- Patient Engagement Services
 - Patient engagement capabilities offered on a stand-alone basis
 - Addresses needs of hospitals and over 20 specialties
 - Focused on optimizing patient pay reimbursement, measuring patient satisfaction, and executing related patient communications



MedData's Clients and Patients



vRad Overview

Jim Burke, CEO





Who we are

vRad is a leading outsourced radiology physician services and telemedicine company

- Radiology services provided to 2,100+ healthcare facilities across all 50 states, including nearly 35% of US community hospitals
- 350+ radiologists
- 24/7/365 national coverage with over 75% of radiologists subspecialty-trained
- Industry-leading clinical quality and turnaround times and most cost-effective solution
- 90% fewer misinterpretations, 33% faster turnaround and 40% less costly than average private practice

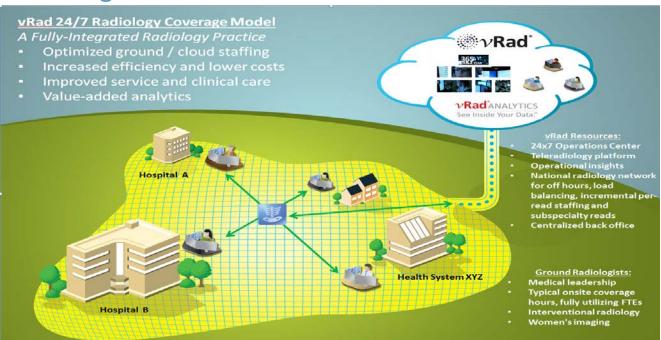
Highly scalable platform and radiology network

Average licensed radiologists per state	115	Number of facilities networked to vRad	2,100+
Subspecialty-trained radiologists	75%	Number of imaging devices networked to vRad	50,000+
# of radiology studies in database (and growing)	33mm+	Total investment in technology platform	\$55mm+
Studies handled annually	5mm+	Patents granted	15
Images handled annually	1.3 bn+	Number of calls / online chats daily	3,000+



What we do

Optimized clinical and economic outcomes enabled by proprietary technologies and workflows







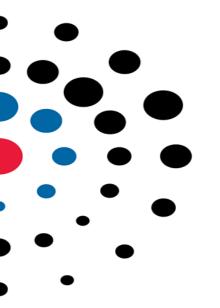
How we extend value

Leveraging vRad Analytics

- Analytics leverages the industry's largest radiology clinical database of over 33mm studies – and growing at 400k/month
- The database is made useful through vRad's proprietary normalization methodology and natural language processing
- Extensive, actionable outcomes-based information:
 - Referring physician utilization and yield
 - Radiologist productivity (onsite and teleradiology)
 - Quality as measured by positive / negative findings yield
- Analytics highlight previously unknown problem areas for radiology group and hospital customers
 - Consistent and transparent view of radiology performance across customer facilities and vs. customizable peer universes
 - Helps customers optimize radiology staffing, imaging utilization and clinical quality
- Developing Deep Learning capabilities to further improve speed and accuracy in clinical diagnoses







Thank You







Surgical Directions: Sample Clients





































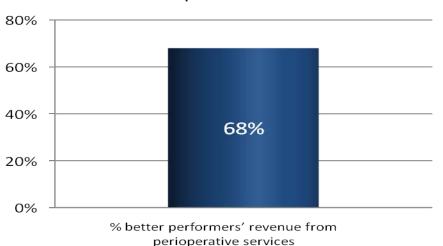






Why Focus on Perioperative Services?

Perioperative Services *are key* to a hospital's success



Perioperative services drive hospitals' performance.

- Over 68% of better-performing hospitals' revenue
- 60% of margin is derived from betterperforming perioperative services.
- Successful system under Value-Based
 Purchasing/ACO provides both surgeons and payors more value for surgical services.

 Equation: Outcome/Cost

By helping our clients tackle the complexities and minimize the political and cultural barriers, our clients have experienced significant improvements in surgeon, staff, and patient satisfaction. These improvements have resulted in improved access to the OR, sustainable growth in surgical volume, and increased market share.



The New Paradigm:

Shift from Volume-Based to Value-Based Reimbursement

Surgical Directions is the hospital's trusted partner to





Surgical Directions:

Added-Value Strengthening Hospital Partnership

Surgical Directions Service Offerings:

Strategy

Performance Improvement

Supply Chain

Workforce Solutions

Staffing Solutions



Surgical Directions:

Hospital's Partner in Strengthening the Perioperative Service Line

Financial

 Improvement of \$200K - \$400K per OR through OR case volume growth, process improvement, and expense reduction

Operational

- Improved on time first case starts, turn over time, and case time
- Improved block time and OR utilization

Clinical

 Reduction in LOS, SSI, and thirty-day readmissions through PAT and clinical pathways, including surgical home model



Case Study:

Beaumont Health, Royal Oak Hospital

Detroit Metro-Area and Michigan's Largest* Hospital

* As measured by number of licensed beds

_	Total Beds	1,061
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- Total Surgical Procedures 40,139
- Total Operating Rooms55

Issues:

- Improve financial performance
- Improve surgeon satisfaction
- Increase capacity with existing resources



Case Study: Beaumont Health, Royal Oak Hospital

Stated Goals and Performance Objectives:

- Become #1 academic medical center in the United States
- Drive profitability and surgical case volume
- Ensure surgeons are satisfied with services provided
- Ensure surgical outcomes exceed those of University Health System Consortium's (UHC) benchmarks
- Relieve hospital administration of t



erative service line



Overview of Beaumont Royal Oak Hospital Perioperative Improvement

Governance Structure and Leadership Process
Improvement
Efficiency
Initiatives

Anesthesia/Pre-Anesthesia Testing

Surgeon
Scorecards &
Access

Strategic Growth



Results: Beaumont Royal Oak

OR has strong leadership with comedical director and nursing director

Hosp well-posi

Surgeons engaged

1MPACT ON SURGICAL
HOURS:

↑7.71%

OPERATING INCOME:

个\$3M

ANESTHESIA

REVENUE: 个\$3M

Hospital well-positioned and functioning efficiently



Case Study:

Beaumont Health, Royal Oak Hospital

Case Study – Beaumont Health, Royal Oak Hospital-1,070-Bed

Needs

- Improve financial performance
- Improve surgeon satisfaction
- Increase capacity with existing resources

Intervention

- Established a collaborative governance
- Upgraded scheduling and pre-admission testing
- Realigned block time, revised block guidelines, provided block adjudication protocols
- Improved OR efficiency through Lean methodology process improvement
- Provided transparent information and fostering data-driven decision making
- Mentored anesthesia and nursing leadership to emulate best-practice

Outcome Hospital:

- 915 cases above budget
- \$2,384,311.55 Contribution Margin
- Reduction in turnover and case time
- Improvement in productivity and core processes
- Improvement in clinical outcomes
- Growth in volume and profitability
- \$3M improvement net operating income

Anesthesia Practice: - \$600,000 in incremental revenue





