Franciscan Health will conduct a Public Forum in accordance with Indiana Code 16-21-9-3.5 on Friday, December 3, 2021 from 9:00 a.m. until 9:50 a.m. Eastern Standard Time, at the Century Center, Suites 4 & 5, 120 S. St. Joseph Street, South Bend, IN 46601. The purpose of the public forum is to provide members of the community an opportunity to: (i) comment on the Franciscan Health’s performance in the previous year; (ii) discuss the pricing of health services provided at Franciscan Health; and (iii) discuss the contributions made by Franciscan Health to the community, including uncompensated care, charitable contributions, and any other charitable assistance programs. The materials that follow this notice will also be discussed during the public forum.
Mission Statement
CONTINUING CHRIST’S MINISTRY
IN OUR FRANCISCAN TRADITION

Vision Statement
Franciscan Alliance, Inc., a Catholic healthcare system, will be a recognized leader in the provision of high quality, value based, compassionate care through collaboration with others in the communities we are privileged to serve.
Respect For Life
The gift of life is so valued that each person is cared for with such joy, respect, dignity, fairness and compassion that he or she is consciously aware of being loved.

Fidelity To Our Mission
Loyalty to and pride in the health care facility are exemplified by members of the health care family through their joy and respect in empathetically ministering to patients, visitors and co-workers.

Compassionate Concern
In openness and concern for the welfare of the patients, especially the aged, the poor and the disabled, the staff works with select associations and organizations to provide a continuum of care commensurate with the individual's needs.

Joyful Service
The witness of Franciscan presence throughout the institution encompasses, but is not limited to, joyful availability, compassionate, respectful care and dynamic stewardship in the service of the Church.

Christian Stewardship
Christian stewardship is evidenced by just and fair allocation of human, spiritual, physical and financial resources in a manner respectful of the individual, responsive to the needs of society, and consistent with Church teachings.
Franciscan Overview

Summary Profile

- History of serving the health care needs of our local communities for over 145 years
- 12 hospitals: Indiana (11) & Illinois (1)
- 690 employed physicians; 357 Advanced Practice Providers
- Over $748 million in community benefit and over $5.09 billion in economic activity provided
- In 2020:
  - 70,529 admissions
  - 316,779 emergency room visits
  - 2,022,344 outpatient clinic visits
  - 4,237,029 total outpatient emergency room, surgeries, clinic and hospital visits
  - 8,004 deliveries
  - Less than 1/3 of all our patients paid the full cost for the care they received
- Early adopter and leader in population health management:
  - In 2012, Franciscan was the 1st health system in Indiana to form Accountable Care Organization (ACO) with Medicare as part of the Medicare Pioneer ACO program
  - In 2020, saved the Centers for Medicare & Medicaid Services $26.6 million as a Medicare Shared Savings Plan participant and achieved 100% quality score
  - Additional value-based programs with nongovernmental payers with favorable savings and quality results
Franciscan Health Strategies & Initiatives

FRANCISCAN HEALTH STRATEGIES and INITIATIVES

- Unparalleled Experience & Engagement
  - Patient
  - Coworker
  - Physicians

- Innovation & Growth
  - Access
  - Lower Cost of Care
  - Increase Market Share

- Leader in Health Outcomes
  - Population Health
  - Safety
  - Quality

Foundational Principles: Person Centric Focus, Safety & Standardization through High Reliability Organizing, Increase Access & Primary Care Growth, Enhanced Digitization & Technology

Operational Stability

FRANCISCAN MISSION, VISION AND VALUES
Community Benefit Information

Franciscan Alliance Invests Back into its Communities

- Approximately $748 million provided in community benefit
- Offering access to clinical programs where reimbursement does not cover costs
  - Trauma programs, maternity care, general medicine, physician practices, etc.
- Sizable investment in population health and social determinates of health programs that are not reimbursed by the payers or government
- Over $1.28 billion in capital investment over last 5 years
- New access points and community clinics
- Education and training to next generation of caregivers

For a comprehensive review of our community benefits please visit https://www.franciscanhealth.org/community/community-health

<table>
<thead>
<tr>
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<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncompensated Care</td>
<td>$557.5 million</td>
</tr>
<tr>
<td>Charitable Assistance</td>
<td>$168.3 million</td>
</tr>
<tr>
<td>Research &amp; Health Education</td>
<td>$13.9 million</td>
</tr>
<tr>
<td>Charitable Contributions</td>
<td>$9.0 million</td>
</tr>
<tr>
<td>Total Community Benefits</td>
<td>$748.7 million</td>
</tr>
<tr>
<td>Total Economic Activity Generated</td>
<td>$5.09 billion</td>
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</tbody>
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* As calculated by the State Hospital Associations
### Franciscan Alliance Income Statement

<table>
<thead>
<tr>
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<th>2020</th>
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<tbody>
<tr>
<td>Total Revenue</td>
<td>$3.31 billion</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$3.21 billion</td>
</tr>
<tr>
<td>Operating Income*</td>
<td>$74.6 million</td>
</tr>
<tr>
<td>Operating Margin**</td>
<td>2.3%</td>
</tr>
<tr>
<td>Operating Income (Loss) (w/o CARES Act Funds)</td>
<td>($78.1 million)</td>
</tr>
<tr>
<td>Operating Margin (w/o CARES Act Funds)</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Total Income</td>
<td>$306.5 million</td>
</tr>
<tr>
<td>Total Margin %</td>
<td>9.3%</td>
</tr>
<tr>
<td>Total Income (w/o CARES Act Funds)</td>
<td>$153.9 million</td>
</tr>
<tr>
<td>Total Margin % (w/o CARES Act Funds)</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

*Net of Joint Venture Income

**2020 Operating Margin is 3.5% when excluding Illinois operations

**2020 Operating Margin is -0.1% when excluding Illinois operations and CARES Act funds

Franciscan Alliance’s (2.5%) operating margin is much less than that earned by the largest managed care payers 8.7% to 5.1%

Anthem source: https://www.antheminc.com/annual-report/2020/financials.html#section1


Humana source: https://humana.gcs-web.com/financial-information/annual-reports

United Healthcare source: https://www.unitedhealthgroup.com/investors/annual-reports.html
In 2012, Franciscan Alliance was 1st health system in the State of Indiana to form an Accountable Care Organization (ACO) with Medicare as part of the Medicare Pioneer ACO program.

Franciscan Alliance ACO covers nearly 161,837 lives contributing additional patient care resources aimed at helping our patients stay healthy, controlling their costs, and ensuring a high quality, coordinated care experience across the care continuum.

In 2020, saved the Centers for Medicare & Medicaid Services $26.6 million as a Medicare Shared Savings Plan participant and achieved 100% quality score across 51,000 Medicare beneficiaries.
The U.S. Government acknowledges that Medicare and Medicaid DO NOT cover the cost of providing care which results in a cost shift to non-governmental payers & employers.

MEDICARE: health insurance program for people age 65 or older or people under 65 with certain disabilities or conditions.

MEDICAID: joint federal and state program that helps with medical costs for people with low incomes.

MEDICAID only pays $0.58* on the dollar to Franciscan based on the cost of care.

MEDICARE only pays $0.80 on the dollar to Franciscan based on the cost of care.

*Hospitals pay $800 million to increase this low rate. Approximately 43% of all Indiana births are to Medicaid beneficiaries.
Net Pricing/Reimbursement of Health Services as Compared to Medicare and Cost - Acute

- Commercial, 206.8% of cost
- Medicaid, 58.2% of cost
- Medicare, 80.6% of cost
- Other, 84.0% of cost

Size of Bubble represents number of patients served
Net Pricing/Reimbursement of Health Services as Compared to Medicare and Cost - Physicians

Commercial, 56.1% of cost
Private Self Pay, 32.8% of cost
Medicaid, 35.6% of cost
Medicare, 42.3% of cost

Size of Bubble represents volume
In 2020, gross charges increased 6%, however with payer discounts, charity care provided, & self-pay discount programs, which is an effective increase of only 2%.

https://www.franciscanhealth.org/patient-resources/price-quotes-and-charges

Inflation rates per the U.S. Department of Labor Bureau of Labor Statistics
*2021 data is through October
Franciscan is committed to providing financial assistance in the form of charity care or discounts to persons that are uninsured or underinsured and who are ineligible for government or social service programs for emergency services or medically necessary services.

- **Uninsured discount:** average rate of the respective Franciscan hospital facility's average allowed rates for private health care payers including Medicare; based off a self-pay fee schedule or a discounted rate for physician services.
- **Charity care write offs:** based on a sliding scale up to 400% of the federal poverty level.

Financial counselors work with patients to apply for financial assistance or coverage from Medicaid or enroll in Marketplace programs.

- **Based on eligibility, offer** no interest payment plans for qualifying patients with a minimum monthly payment of $25 for up to 18 months or longer based on account balance and financial circumstances.
- **Offer patient assistance funding through our Foundation.**
Franciscan’s Commitment to Reduce Costs

- Reduce the TOTAL cost of care across the clinical care continuum
- Continue investment in movement towards a well-managed health population approach and away from a ‘sick-care’ approach especially for those having chronic health conditions
- Continue to execute on our Quality Plan from improved results
- Expand clinical collaboratives designed to further develop high reliability systems of care that are patient centered and affordable
- Redesign primary care operating model to focus on value-based reimbursement agreements
- Expand virtual health capabilities
- Expand bundled savings programs with employers
- Expand strong home health, hospice, and palliative care footprint
- Work with State to invest in more social programs, mental health treatment, and prevention programs as well as identify policies to help streamline the administrative burden of providing care
“They were angels in scrubs!”

“The positive energy I felt there changed my ‘can’t do’ attitude into a ‘can do’ attitude.”

“It’s a special place. The nurses and the doctors, the whole team, just feel like family. I hope you have one.”

“They explained everything to me with such compassion, I knew they really cared.”

“You can’t do things like that when you’re alone. They helped me with everything.”

“They taught me to never give up on myself.”

“We’re so grateful to all of you. This is an amazing piece of heaven.”

“They were wonderful. You knew they truly cared.”

“Cancer doesn’t have a face until it’s yours. At Franciscan, the people treat you wonderful and you can tell they truly care for you! I would tell everyone this is where they need to go.”

“Due to our wonderful care at Franciscan both my husband and I survived the “C” word.”

“God is so good everyday! Due to our wonderful care at Franciscan both my husband and I survived the “C” word. We have a joke now between the two of us, “The couple who radiates together, stays together.”

“Mark”

“Susan W.”

“Laura”

“Connie L.”

“Ray”

“Sandy & Ray”
When Lisa contracted COVID-19 in October 2020, she dodged critical respiratory issues that come with the virus. Her doctor believes the virus may have been the culprit in unleashing a series of dormant conditions that left her unable to stand or walk.

"Every morning I look forward to getting a new email with a different healthy focus." See more on social with #DGF6Challenge...

Greater Lafayette joins the #DGF6Challenge

"This challenge taught me new ways to practice self-care." What's your take on the challenge?

Share your story with the hashtag #DGF6Challenge...
Franciscan’s Response to COVID-19

IndyStar. 2:13 p.m. CDT Mar. 30, 2020
Franciscan Health collects Specimens in drive-thru sites for COVID-19 testing

Patch. May 15, 2020
Franciscan Health seeking blood donations for COVID-19 study

HealthcareIT News Sept 2020
Franciscan Health uses inpatient and ambulatory telehealth, closing gaps in care

Total Virtual Visits
’19 - 1,017 • ’20 - 280,211 • ’21 - 158,522

Mun. Sep 4, 2020
Necessity Becomes The Mother Of Invention, With Virtual Rounds Enhancing Franciscan Health Patient Care During Covid-19

June 2020
Franciscan’s is on cutting edge of therapy participating in convalescent plasma protocols, Remdesivir protocols, innovative oxygenation techniques, and Eli Lilly based studies to evaluate antibody treatment in development.

May 2020
Franciscan Health offers a COVID-19 Risk Assessment and consultations with a medical provider to help direct patients to the most appropriate care.
12,987 Assessments / 3,535 Nurse Consults

April 2020
Joint venture laboratory instrumental in our COVID response and service restart plan; technical capability to perform 4,000 tests per day with 24-48 hour turnaround.