

GENESYS

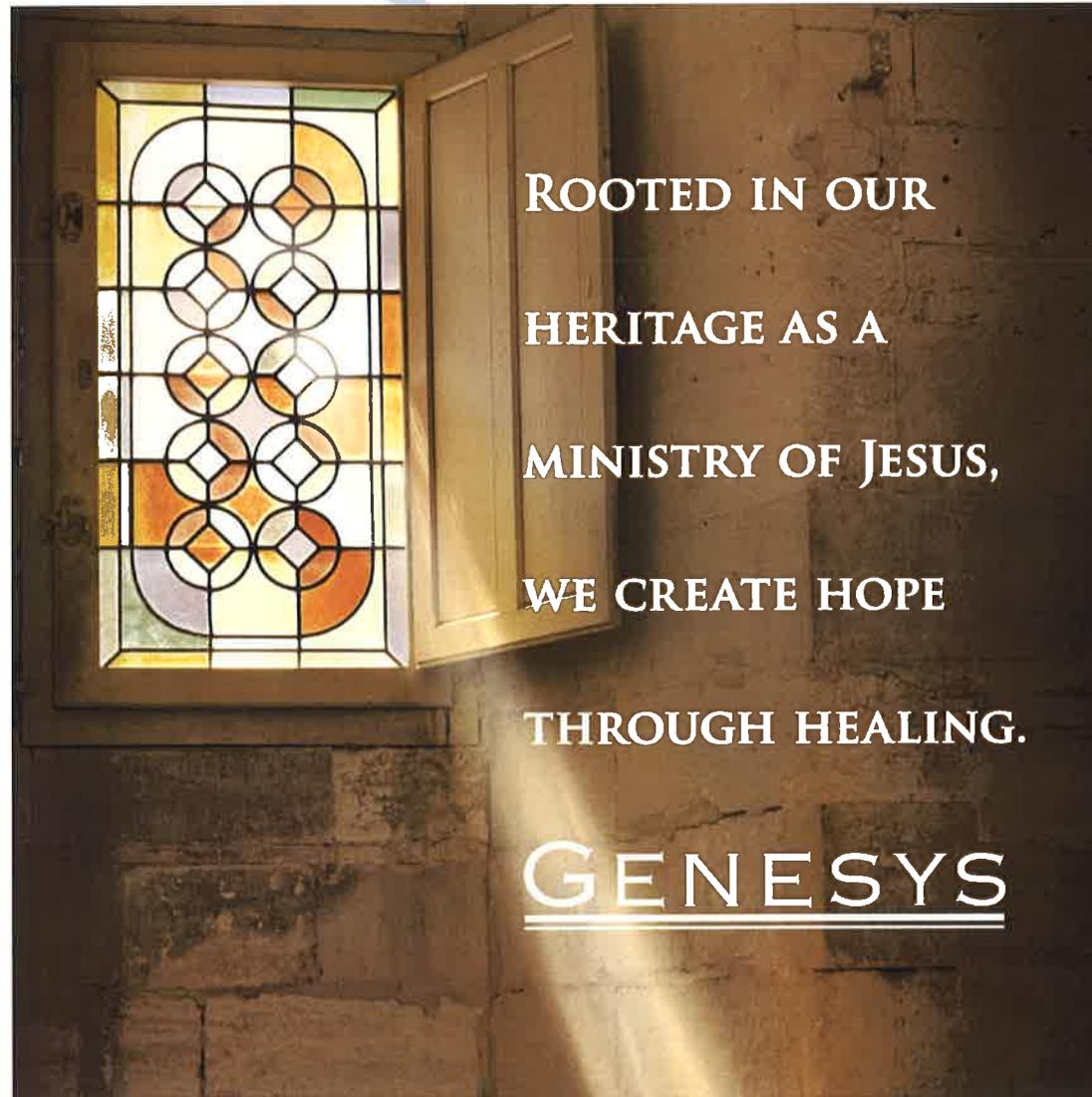
HEALTH SYSTEM

**Validated Strategies for Regional
Economic Development**

Genesys Campus & Community Revitalization

September 13, 2013

Our Mission



ROOTED IN OUR
HERITAGE AS A
MINISTRY OF JESUS,
WE CREATE HOPE
THROUGH HEALING.

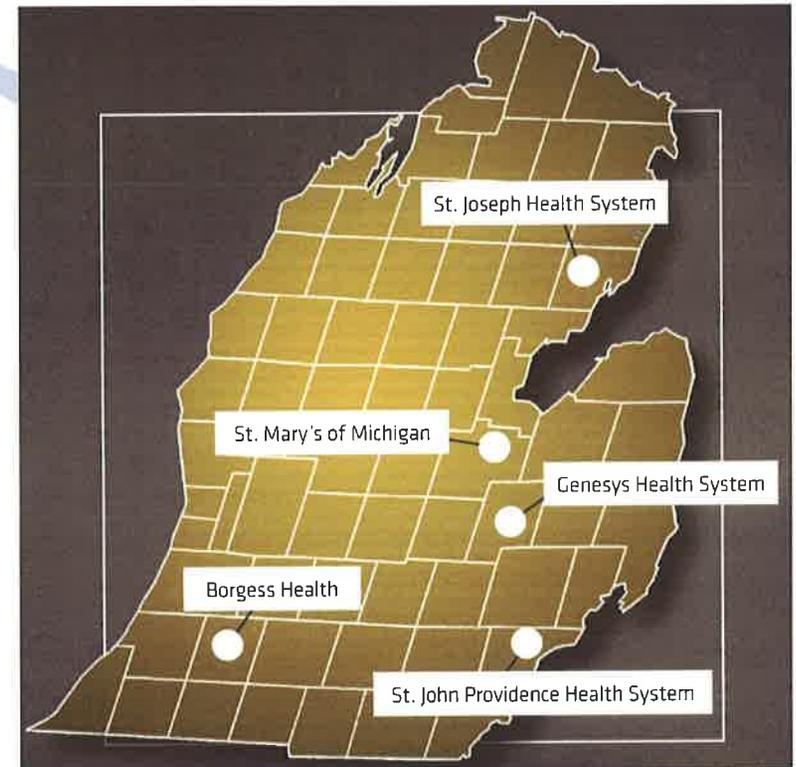
GENESYS

Genesys Background

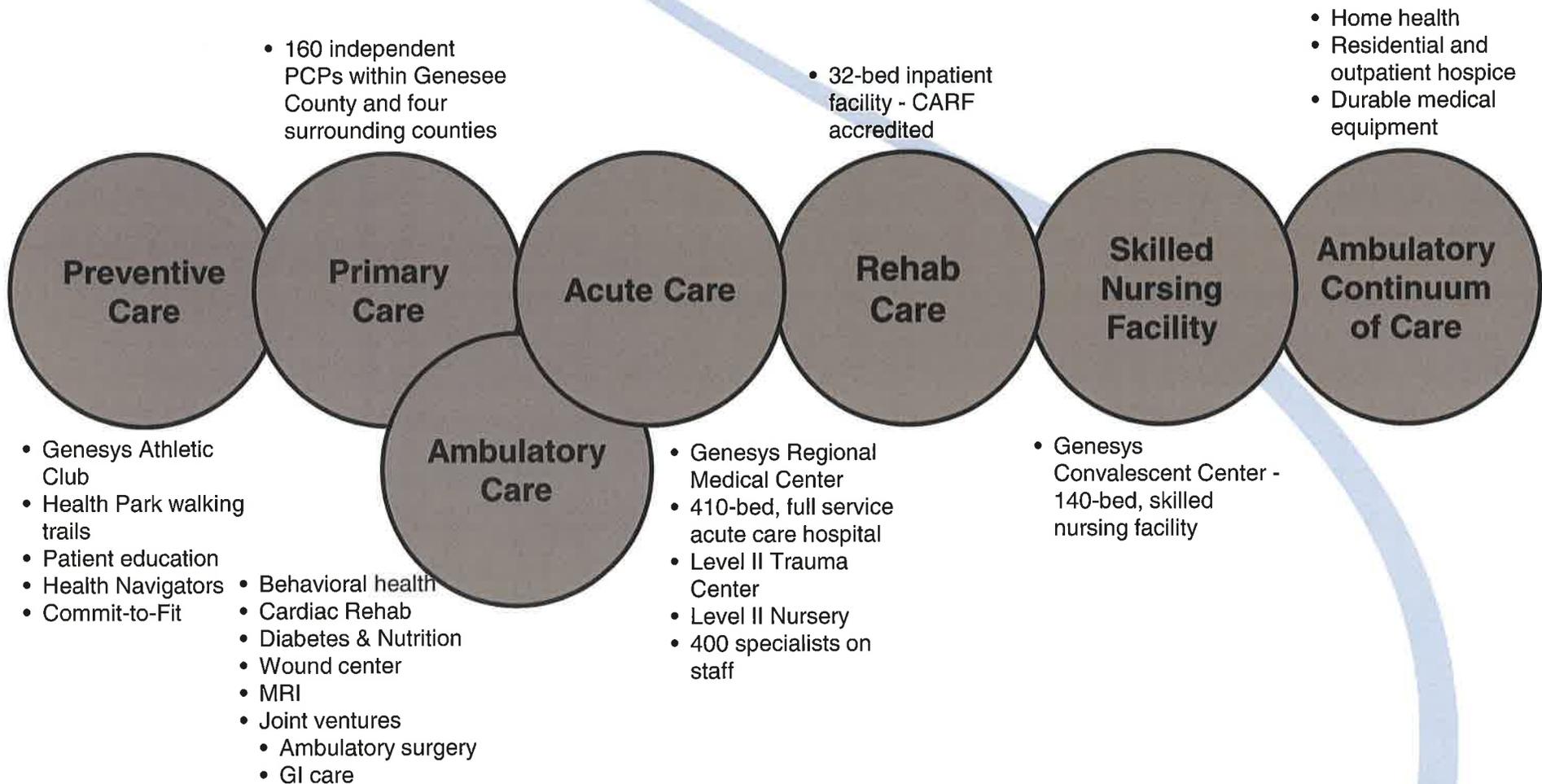
- A member of Ascension Health, the nation's largest Catholic and non-profit health system with more than 121,000 associates serving in more than 500 locations in 21 states and the District of Columbia
- 90 years of caring for the community
- Leading healthcare provider for mid-Michigan
- One of Genesee County's top employers
- A comprehensive continuum of care
- VisionScape – 25-year roadmap to revitalize Genesys and the community
- More than \$45 million in charity care, uncompensated services and community benefits each year
- Part of the region's only Pioneer Accountable Care Organization (ACO)
- Area's largest primary care network – 160 PCPs
- Large, diverse medical staff – 736 active physicians
- Consistent award-winning patient care, quality and safety

Part of the Michigan Health Ministries of Ascension Health

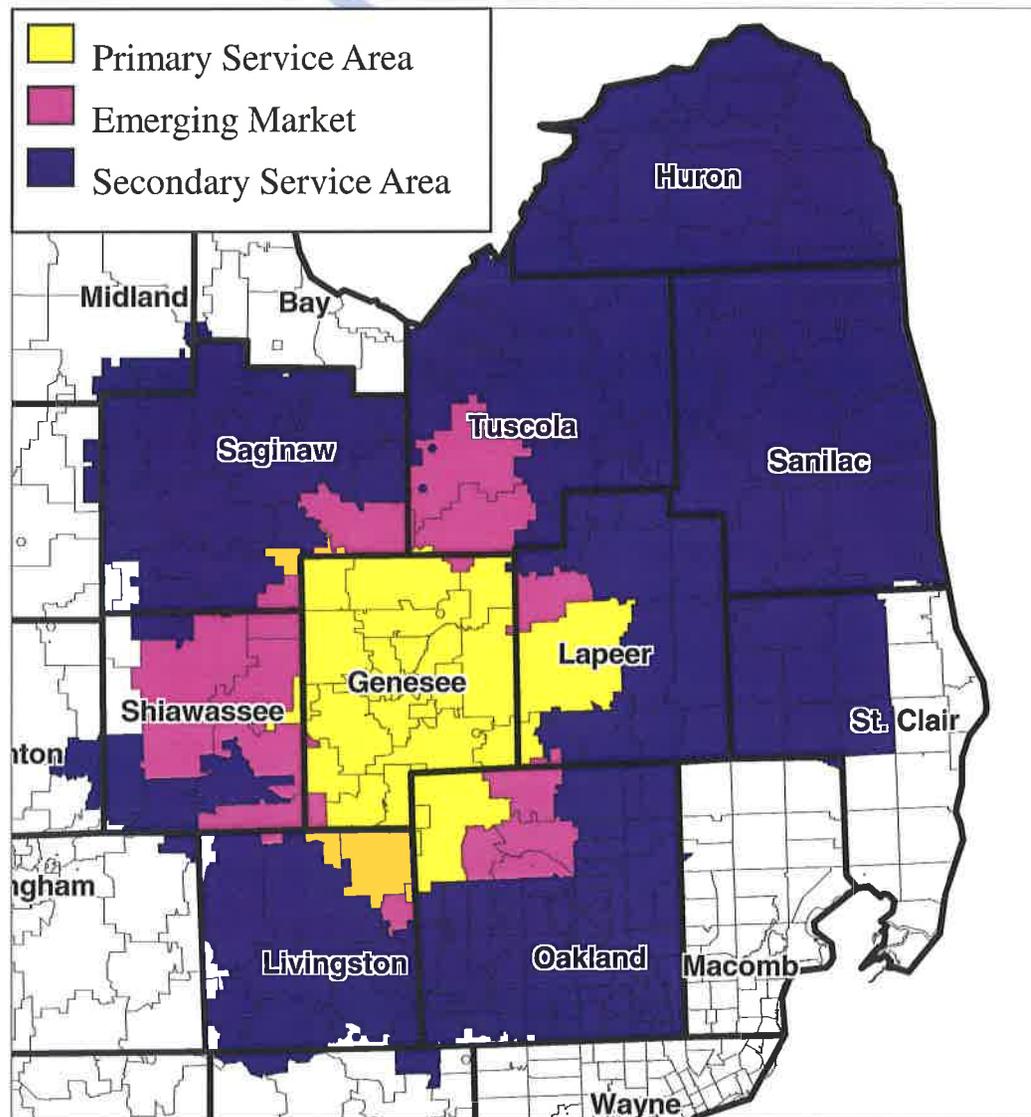
- One out of every eight patients cared for in Michigan is served by one of Ascension Health's Michigan ministries
- Significant employer in all of the communities we serve:
 - Over 28,200 associates state-wide
 - \$1.4 billion in payroll each year
- Expansive coverage serving across Michigan's lower peninsula in rural, suburban and urban hospitals
- One of the top three Medicaid providers
- Provide approximately \$305 million in community benefits and care for the poor



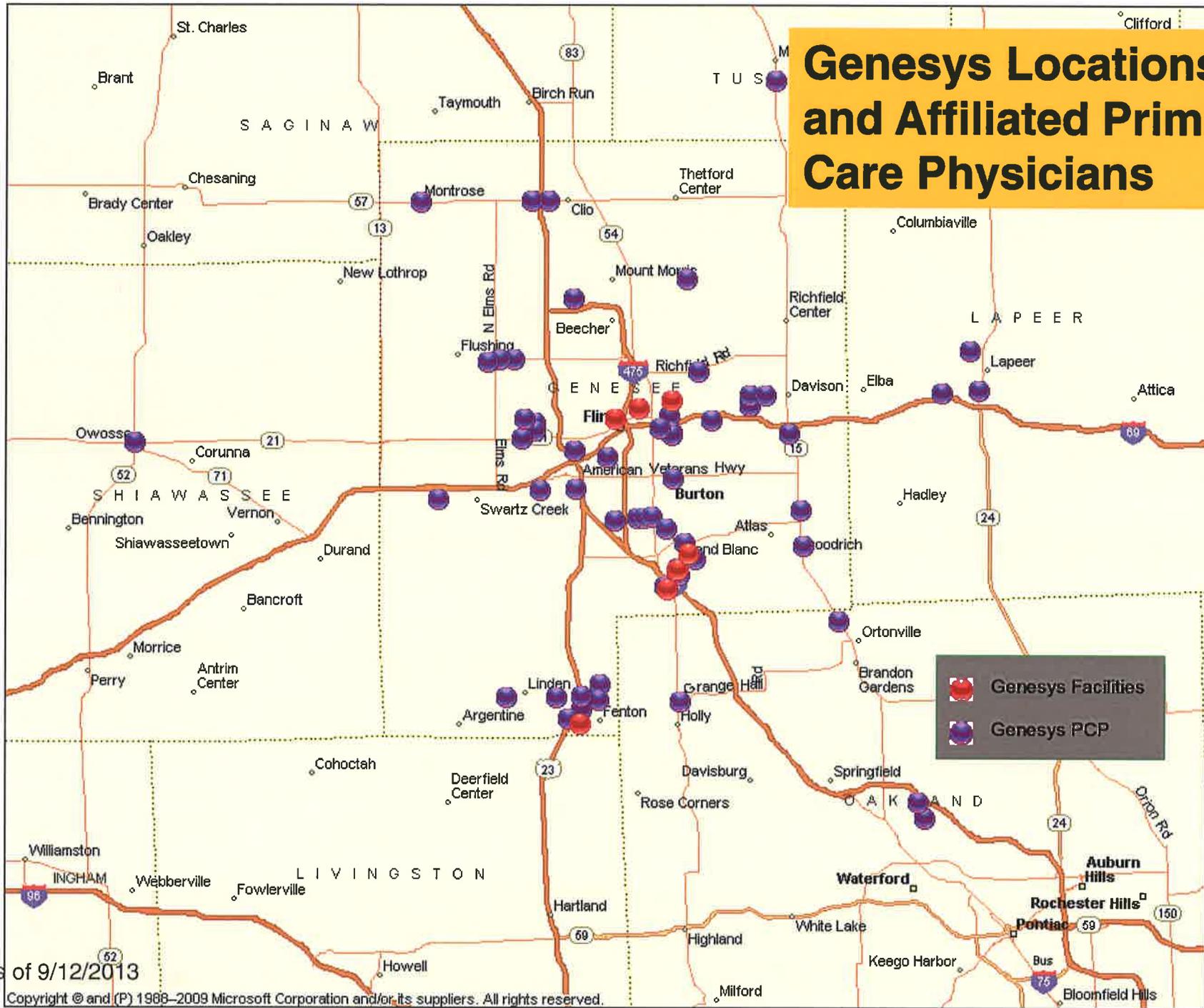
Continuum of Care



Genesys Service Areas



Genesys Locations and Affiliated Primary Care Physicians



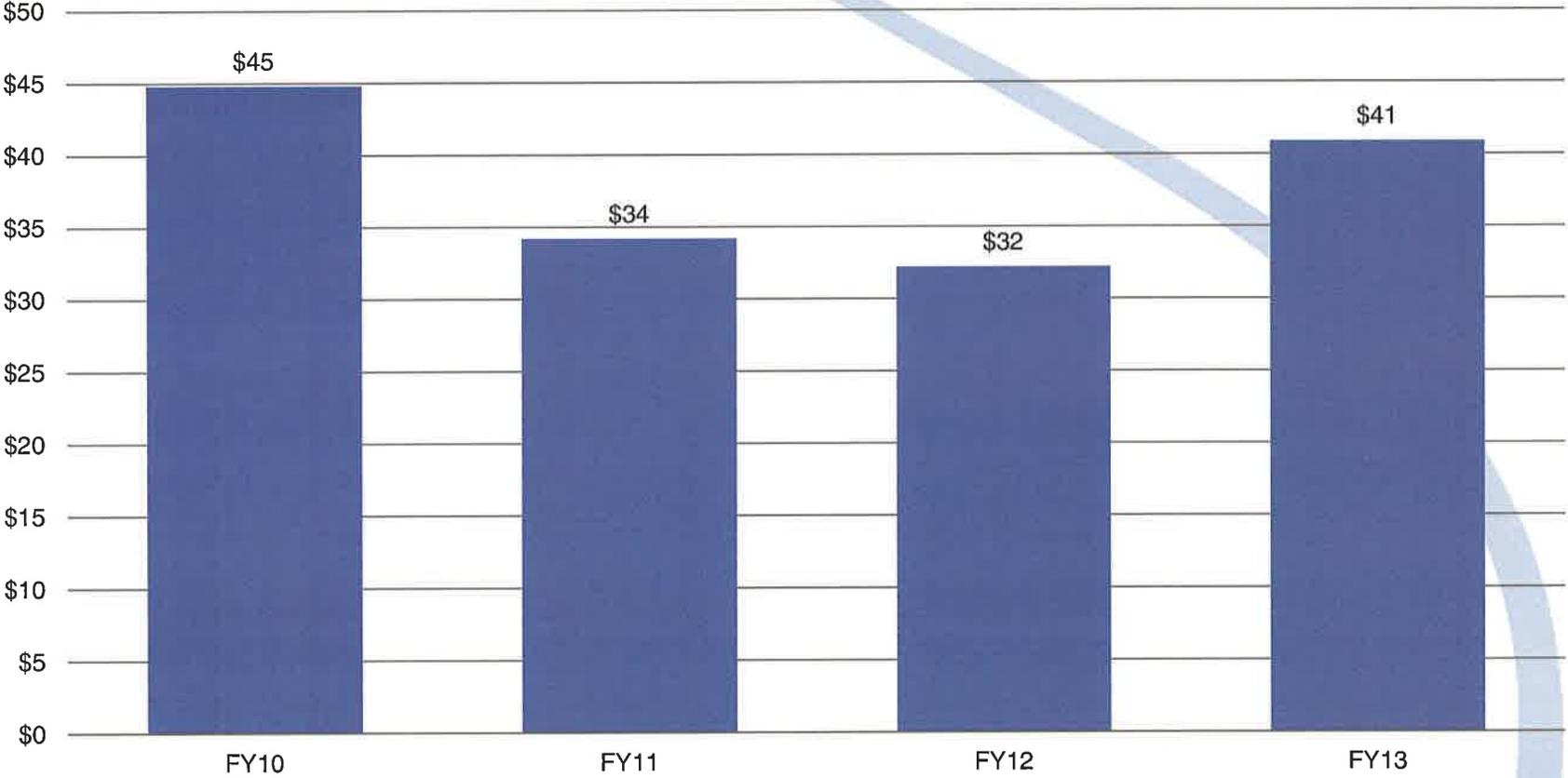
	Genesys Facilities
	Genesys PCP

As of 9/12/2013

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Genesys Uncompensated Care Trend

\$ in Millions



Brecht Study - Senior Service Opportunities

A 2010 Brecht Associates analysis of Genesys senior service opportunities resulted in the following findings and recommendations:

- By 2014, 27.64% of the Genesee County population will be age 55 and older; the population of County residents 65 years and older is growing 2.4% per year
- Replace Genesys Convalescent Center; establish more appropriate services for the current Center's location that addresses the need for modern, state-of-the-art short term rehabilitation, post acute care discharges from the Health Park
- Create a focal point for services on Health Park because of its central location
- Create additional feeders for existing hospital services and to advance Genesys' branding strategy through the expanded senior offerings
- Demonstrated need for Independent Living, Assisted Living, Memory Care and Affordable Housing beyond the need for the replacement senior nursing facility
- Pursue the strong opportunity for establishing a PACE program

Genesee County Population Trends

	2012 Estimated	2017 Projection	% Change
Total Population	436,103	427,424	-2%
Population Age 65+	58,436	64,334	10%

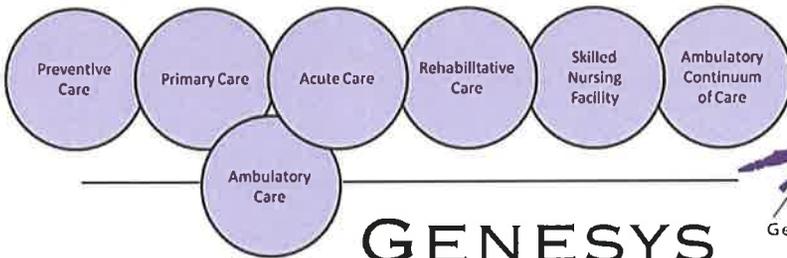
Community Health Needs Assessment

- To better serve the Flint and Genesee County community, Genesys partnered with Hurley Medical Center, McLaren-Flint and the Greater Flint Health Coalition to complete a Community Health Needs Assessment (CHNA).
- The CHNA is a new federal requirement of all non-profit hospitals to better understand the communities they serve and strategically invest resources to improve the health of residents over the long-term.
- Identified as a “best practice” by Ascension Health and Michigan Health & Hospital Association.
- Among the primary health needs for Flint and Genesee County identified through the CHNA, Genesys is strategically focusing on:
 1. Healthier lifestyles, including physical activity, nutrition and diet
 2. Effective healthcare delivery for the aging population
 3. Infant and child health improvement



GENESYS HEALTH SYSTEM OF THE FUTURE

- Excellence in safety, quality, patient experience
- Patient-centered, Lean improvement methodology
- High Reliability
- Physician alignment/integration: Co-Management Companies - Heart, Ortho/Neuro, Surgery
- Integrated EHR: Achieved Phase 1 Meaningful Use = 20+ clinical IT systems; moving to Phase 2 Meaningful Use
- Building capacity in the Continuum of Care
- Designated exclusive provider for PACE in Genesee County – Program for All-Inclusive Care for the Elderly



GENESYS LEARNING INSTITUTE

- Continual innovation and research
- Training healthcare providers of the future
- Educate public about population health management, disease management, wellness, health
- Create 4,000+ new biotechnical jobs
- Partner with institutes of higher learning: UM/Flint, MSU, Kettering, Mott, Baker
- Becoming regional and national learning lab for Ascension



GENESYS HEALTHWORKS

- Triple Aim: Improving health, patient experience and cost of healthcare
- Keeping patients well is as important as treating them when they're sick
- Improving care transitions across the Continuum of Care
- Nationally recognized population-based care model
- Genesys PHO named CMS Pioneer ACO



CAMPUS & COMMUNITY REVITALIZATION

Shape and revitalize our community through development of Health Park property and projects in 15 mile radius:

- Health Park – become the southern “anchor” point in a Genesee County regional life sciences economic cluster
- Health Park – partner with complementary organizations who bring their own financing
- Influence developments in Flint and Genesee County
- Downtown Flint Health Center (opening summer 2013)



Genesys PHO Pioneer ACO

- The Genesys Physician Hospital Organization (PHO) — a 17-year collaboration between Genesys Health System and Genesys Physicians Group Practice – is one of 23 in the nation selected by the Centers for Medicare and Medicaid Services (CMS) as a **Pioneer Accountable Care Organization (ACO)**
 - Two in Michigan
 - Only one in Ascension Health
 - Approximately 17,000 attributed Medicare lives selected to participate in the Genesys PHO Pioneer ACO; beneficiaries were attributed based upon physicians seen in calendar years 2009, 2010 and 2011
 - Three year contract: January 1, 2012-December 31, 2014
 - Covers Medicare Part A & Part B Services
- The Pioneer ACO model has both quality and financial incentives with 33 quality measures
- Goal of the program is to:
 - Improve the health and experience of care for individuals
 - Improve the health of populations
 - Reduce the rate of growth in healthcare spending

Genesys Campus & Community Revitalization in Genesee County



Genesys Downtown Flint Health Center



- **Opened August, 2013**
- 24,000 square foot facility located at 420 S. Saginaw Street
- Three levels including an urgent care clinic, a retail pharmacy, an internal medicine health clinic, and a women's health clinic provide obstetrical and gynecological services (the two health clinics will relocate from Genesys West Flint Campus)
- Approximately 60 employees from the Genesys West Flint Health Center at least 10 more jobs
- As the need for healthcare services increases in the city, Genesys anticipates offering more employment opportunities
- Genesys, which is partnering with the Genesee Regional Chamber of Commerce, Uptown Reinvestment Corporation and Uptown Developments, made a \$3 million investment over seven years to open this facility

Wilson Park

M
FLINT
UNIVERSITY OF
MICHIGAN-FLINT

FLINT
Farmers'
Market

Harrison Street
Parking Deck

GENESYS
DOWNTOWN FLINT
HEALTH CENTER

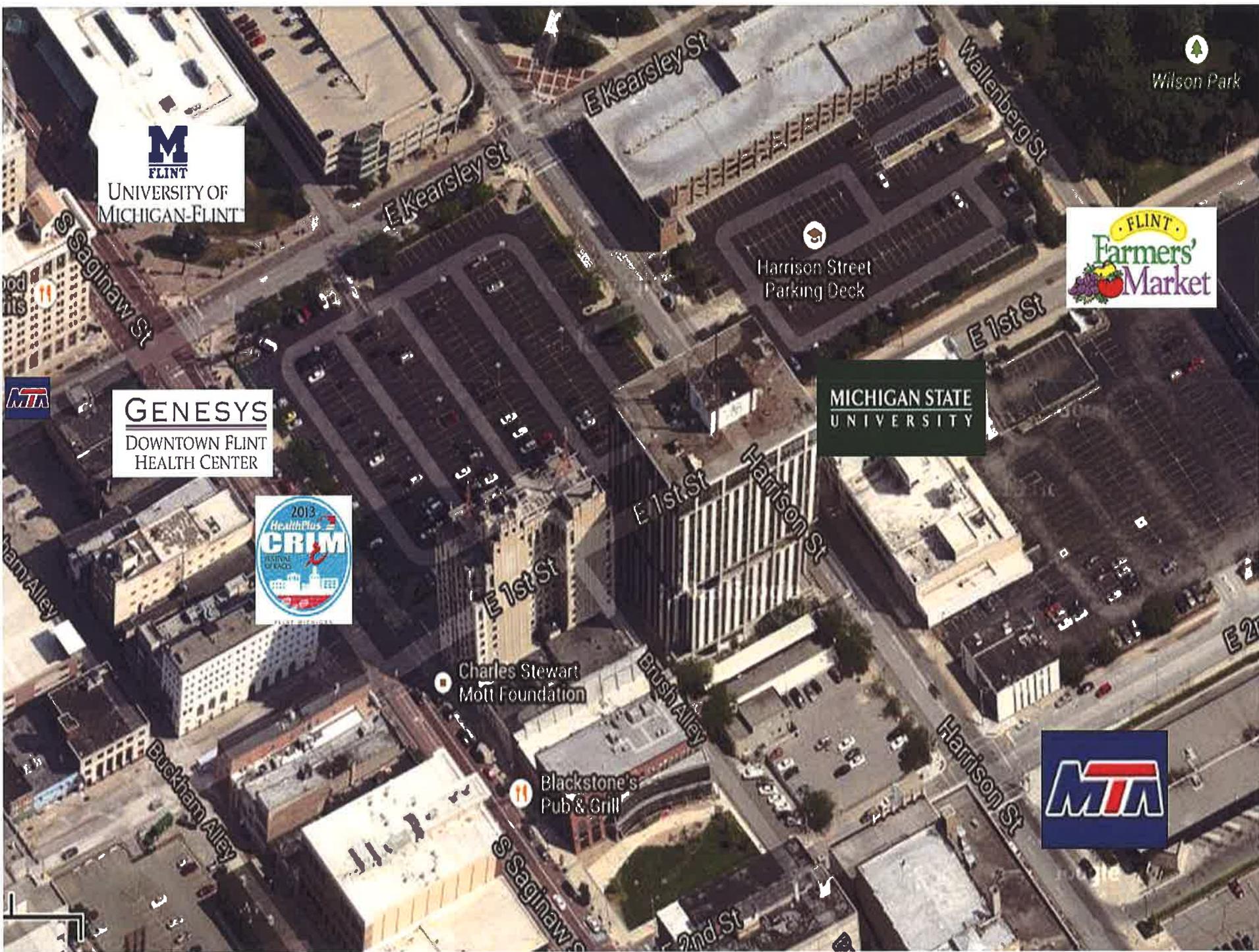
MICHIGAN STATE
UNIVERSITY

2013
HealthPlus
CRIM
FESTIVAL OF
CREAMS

Charles Stewart
Mott Foundation

Blackstone's
Pub & Grill

MTA



Program of All-Inclusive Care for the Elderly (PACE) Model

- Full financial risk for all medical care of participants
- Typical size is 200-500 participants
- Dual-eligible population
- Eligibility: 55 years or older; live in a PACE service area; meet state Medicaid level of care for skilled nursing facility
- Estimates for the Genesys PACE Service Area (based on 300% of SSI) are between 2,400 to 5,400 eligibles
- PACE Center is the heart of the program – providing primary care through a medical clinic, space for physical and occupational therapies, and a common area for activities, meals, and socialization
- An interdisciplinary team led by a gerontologist authorizes all medical services for participants based on each individual care plan
- Serves a nursing home eligible population – much higher frailty than average Medicare beneficiary
- Established program with a proven track record of good care outcomes, high participant satisfaction, and low disenrollment rates
- \$3.9 million investment
- 70 New Jobs added to Flint
- Active participation with Mott College and Baker College to hire retrained and non-traditional students
- Support for development of Geriatric Fellowship in alignment with MSU Medical School and Schools of Public Health

PACE Work Plan Highlights

Task Description	Target Completion Date
Send RFP to Developers	August 1, 2013
Submit PACE Provider Application to CMS	September 1, 2013
Review RFP Responses & Contact Respondents	September 30, 2013
Submit PACE Part D Application to CMS	October 1, 2013
State Readiness Review (SRR) Begins	December 1, 2013
Identify PACE Facility Location	January 1, 2014
Begin PACE Facility Construction	January 1, 2014
PACE Building Completed (Projected)	July 1, 2014
PACE Program Agreement Executed Between CMS, MDCH & Genesys	December 31, 2014
PACE Program Opens	January 1, 2015

25-Year Campus Development Plans

- Develop Health Park Campus with aligned partners and their financing to establish complementary facilities/services such as:
 - **Senior continuum services to include a replacement convalescent center, assisted living and senior housing**
 - **Medical/healthcare education including simulation laboratory**
 - **Research & development facilities**
 - Imaging and diagnostic centers
 - Cancer center
 - **Medical device & biomedical engineering facilities**
 - Retail and hotel services
- Leverage central, convenient location
- Influence additional roadway projects around Health Park
- Serve as a catalyst for economic development and growth

Genesys Campus & Community Revitalization Unique Economic Development Capacity

Phase of Roll Out	Priority Focus Areas <i>Potential to leverage economic development and create jobs</i>
Currently In Process	<ul style="list-style-type: none"> • Genesys Downtown Clinic • PACE Program of All-inclusive Care of the Elderly • Dort Highway Extension • Convalescent Center Replacement Facility/Continuing Care Retirement Community (CCRC)
Active Planning Phase	<ul style="list-style-type: none"> • Genesys Athletic Club (GAC) – Alternative utilization of current space & function • Retail
Near Future Focus	<ul style="list-style-type: none"> • Veterans Services <ul style="list-style-type: none"> ○ Behavioral Health/Medicine ○ Population Management programs/decentralized Veterans Services ○ Veteran's Retirement Home • Medical (Device)Manufacturing Businesses and Life Science/Research located on the Genesys Campus

Genesys Health Park Campus Site Plan

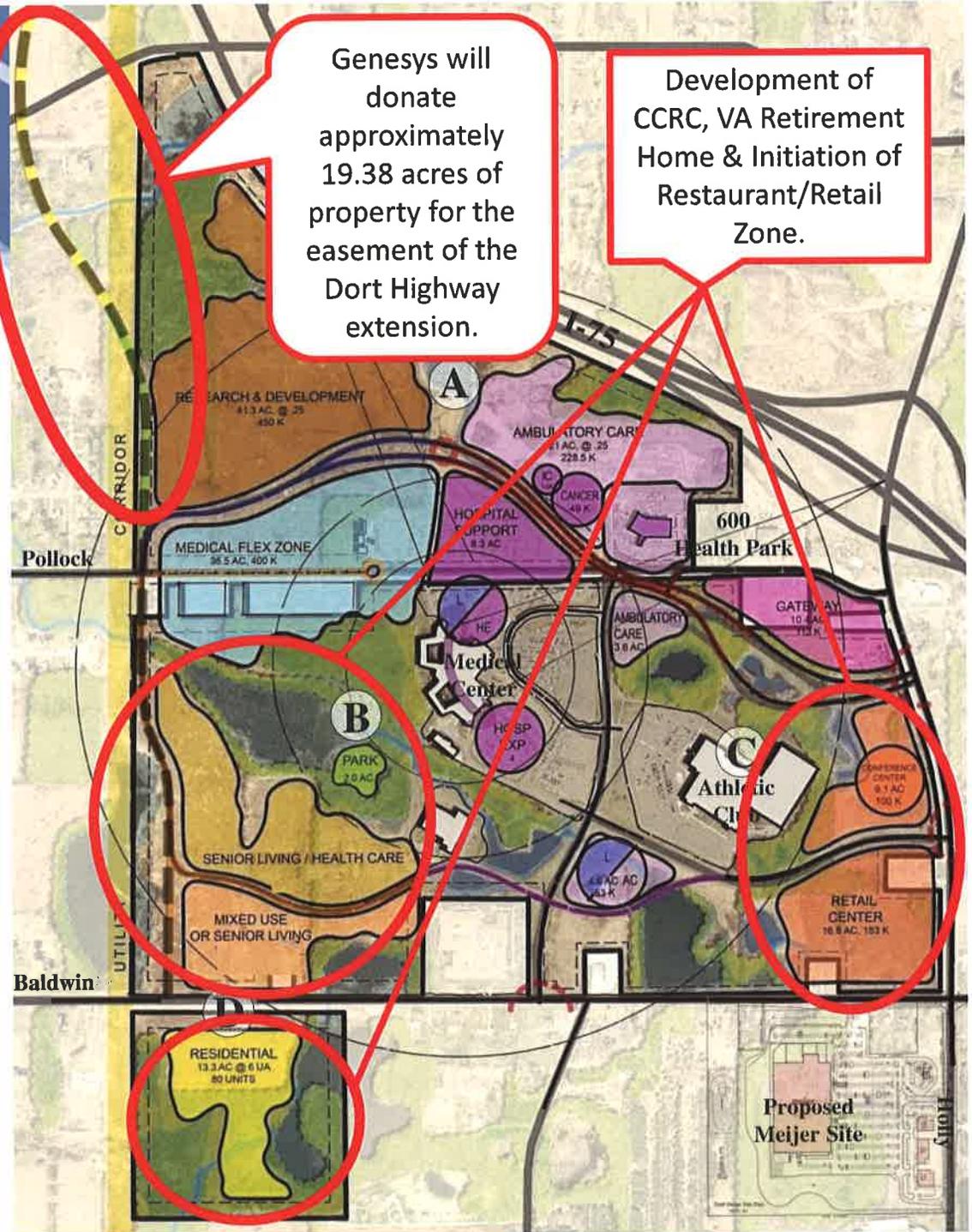
Land Use Type	Acres	Square Feet	Units
HOSPITAL EXP. / SUPPORT	8.3 ac	375,000	
GATEWAY	10.4 ac	113,000	
AMBULATORY CARE	29.5 ac	321,000	
LEARNING INSTITUTE	4.0 ac	82,400	
MEDICAL FLEX ZONE	36.5 ac	397,000	
RESEARCH & DEVELOPMENT	41.3 ac	450,000	
SENIOR LIVING /HEALTH CARE	22 ac	115,000	155 UNITS
RESIDENTIAL	13.3 ac	145,000	80 UNITS
RETAIL / CONFERCING	25.9 ac	282,000	
MIXED USE / SENIOR LIVING	13.8 ac	150,000	138 UNITS
TOTAL	206.0 ac	2.2 M GSF	

Road Phasing	Phase
[Red Line]	PHASE 1
[Blue Line]	PHASE 2
[Purple Line]	PHASE 3
[Orange Line]	PHASE 4
[Green Line]	PHASE 5
[Yellow Line]	PHASE 6

ZONES
 A = Ambulatory
 B = Hospital
 C = Retail
 D = Mixed Use/Senior

Attributes

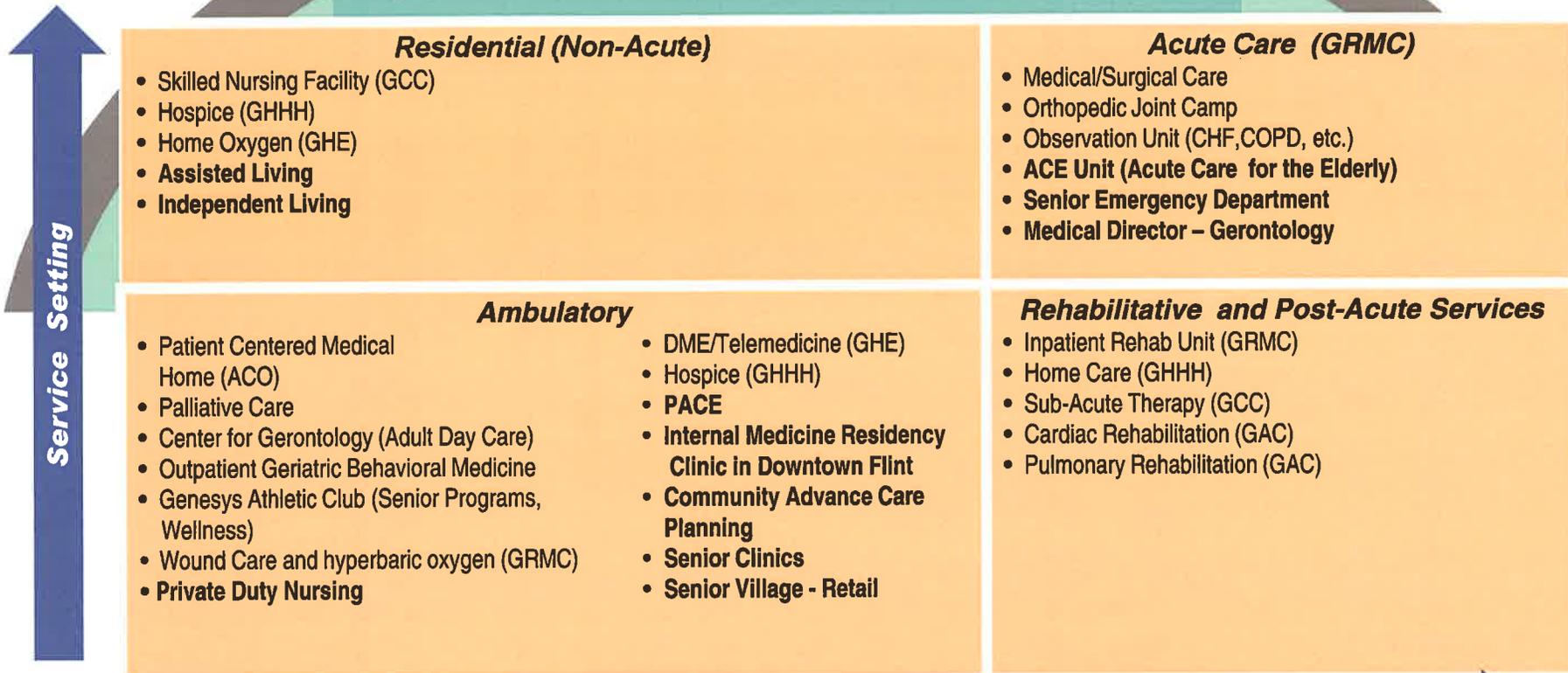
- Hospital expansion to the north or south
- Learning Institute – remote or attached
- Ambulatory Care – 29.6 acres visible from highway
- Research & Development – 41.3 acres
- Commercial Use – 26.9 acres
- Medical Flex Zone Space – 36.5 acres



Genesys Senior Services Continuum Vision

VisionScape

HealthWorks Population-Based Care



Service Intensity

Notes:

1. Bolded headings represent planned services
2. Abbreviations are as follows:

GRMC- Genesys Regional Medical Center	GCC – Genesys Convalescent Center	GAC – Genesys Athletic Club
GHHH- Genesys Home Health & Hospice	GHE – Genesys Home Equipment	
3. Current capital requests focused on GCC replacement and establishment of PACE
4. Planned independent living facility is in addition to Abbey Park complex already on property adjacent to future GCC location
5. GHHH Home Care Services to be combined with other Ascension Michigan Ministries to form regional home care service as of 1/1/13

Senior Services Continuum Timeline of Service Offerings

Existing

- Skilled Nursing Facility (GCC)
- Residential Hospice (GCC)
- Medical/Surgical Care (GRMC)
- Orthopedic Joint Camp (GRMC)
- Observation Unit (CHF, COPD, etc)
- Patient-Centered Medical Home (ACO)
- DME/Telemedicine (GHE)
- Palliative Care
- Genesys Athletic Club (GAC)
- Inpatient Rehab Unit (GRMC)
- Home Care & Home Hospice (Reverence)
- Sub-Acute Therapy (GCC)
- Cardiac Rehabilitation (GAC)
- Pulmonary Rehabilitation (GAC)

- PACE
- Private Duty Nursing

- Dort Highway Connector
- Re-use of GCC as inpatient behavioral medicine facility

- Independent Living



Planned

- Care Transitions
- Begin integration of program

- ACE
- Senior Emergency D Department
- Advance Care Planning
- Medical Director of Gerontology
- Ascension Michigan Regionalization of home care
- Regional expansion of GHE DME Services
- Possible establishment of sub-acute services at GRMC
- Internal Medicine Residency open Downtown Flint

- GCC Replacement with hospice capacity
- Senior Clinics
- Gerontology Fellowship
- Facilitist model for GCC

- Assisted Living

- Senior Village Retail

Notes:

- 1) All years are calendar years
- 2) Planned facilities do not presume ownership by Genesys

Dort Highway Extension Update

- Genesee County is moving forward with plans to continue development of the Dort Highway Extension Project.
- The County has recognized the Genesys contribution of 19.38 acres of land values at \$750,000, as our contribution to the project.
- Project costs are estimated at \$30M
- All project work is on track per the County with an anticipated start date of summer 2014 and completion in 2015.

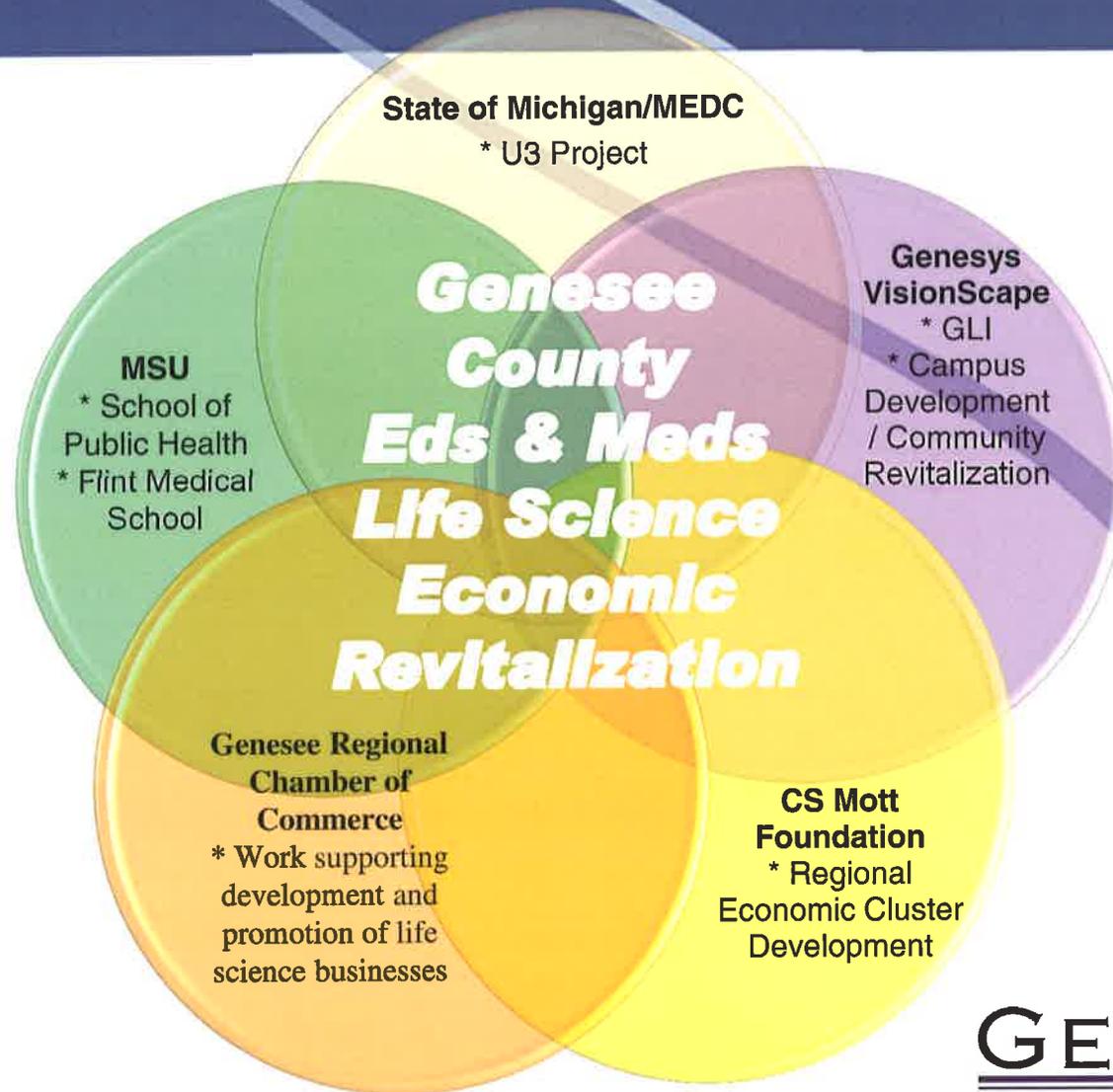
NOTE: Strong support from the bipartisan and state level

VETERANS AFFAIRS OPPORTUNITIES & IMMEDIATE FOCUS

- Behavioral Health/ Medicine
- Population management designed programs to help in further decentralization of VA
 - This includes potential for contracting with regional health systems to manage veteran populations round specific disease types
- **Development of veterans retirement housing and senior service focused programs**
 - Retirement homes
 - Programs of All-Inclusive Care for Veterans*

*New proposed program

Synergy



GENESYS

Genesys Commissioned Studies

Building a foundation for strategic decision-making ...

Economic Impact of Genesys Health Park Campus Expansion Plans	Anderson Economic Group (AEG)	2012
Program of All-Inclusive Care for the Elderly (PACE) in Genesee County	Palmetto Health Senior Consulting (PHSC)	2012
Long Term Care /Senior Village Business Planning & Implementation	Plante Moran CRESA	2012
Genesee County Freight and Connectivity Study (Dort Highway)	The Corradino Group of Michigan, Inc.	2011
An Analysis of the Economic Viability of a Life Sciences Cluster in Genesee County	ALME - Arduin, Laffer & Moore Econometrics	2010
Genesys Senior Services Study	Brecht Associates, Inc.	2010
Genesys Regional Medical Center Health Park Campus Plan	Plante Moran CRESA	2009

Brecht Study - Senior Service Opportunities

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- Pursue the strong opportunity for establishing a PACE program

Genesee County Freight & Connectivity Study

The Corradino Group

- The most significant job potential in the region is centered around the development of the Genesys Health Park Campus
- Those transportation/road alternatives supporting the Genesys Health Park Campus should be given the highest priority
- The Dort Highway connection is the optimal project for gaining access to the campus and further economic development
- Other projects to follow are adjacent to the Campus and/or open up new markets to the west of Genesys

Economic Impact of Genesys Campus Expansion Plans Anderson Economic Group Study

Genesys commissioned Anderson Economic Group to provide an independent economic impact analysis of its planned expansion

- Genesys is facilitating investments of nearly \$500 million over the next 10 years to upgrade current facilities and expand services on its Health Park Campus
- The construction phase of the various Genesys projects would have a **significant positive impact on the local economy of Genesee County**
 - Construction spending of **\$483 million over ten years would** create a total of **4,280 job-years of employment, and increase total area earnings by \$161 million**
- Operating the new facilities on Genesys Health Park would have a **large positive impact on the local economies of Genesee County**
 - The estimate is a total of **4,093 full-time jobs** would be created (directly or indirectly) as a result of the Genesys expansion in Genesee County
 - The operations of these facilities would result in **\$270 million in annual earnings in the County**

Anderson Economic Group Study

Summary of Employment Impact of the Genesys Expansion

Construction Phase	Period 1 Projects	Period 2 Projects	Total Impact of Expansion
Genesee County* (FTE Job-Years**)	953	3,327	4,280
Grand Blanc Community (FTE Job-Years**)	56	193	249
Operations Phase			
Genesee County* (Ongoing FTE Positions)	186	3,907	4,093
Grand Blanc Community (Ongoing FTE Positions)	97	3,743	3,840

* Genesee County employment and earnings estimates include the Grand Blanc community.

** Job-years is a measure of employment that translates the man-hours of employment by many individuals, including part-time and full-time workers, into a full-time equivalent position (FTE).

Data Source: Genesys Health System, Bureau of Economic Analysis

Analysis: Anderson Economic Group, LLC

Concluding Points

- Genesys has well-validated strategies to address the long-term needs of our community's patients, seniors and downtown Flint residents
- The Genesys plan creates thousands of jobs and millions in revenue for our community
- Genesys' strategic focus is aligned with the state's health focus
- Genesys is receptive to increasing services for veterans and interested in piloting program development

Genesys Campus & Community Expansion 2013 - 2023

Project	Project Cost	Permanent Jobs Created	Construction Jobs Created	Start Date	Open Date
PHASE I					
Downtown Facility *	\$2.7M	70	N/A	October 2012	August 2013
PACE *	\$3.9M	70	N/A	October 2014	July 2014
Genesys CCRC	\$106M	260	N/A	Spring 2014	Spring 2018
PHASE I Total	\$112.6M	400	1,009		
PHASE II					
				Project Dates Estimated per Campus Development Master Plan	
Gateway Projects	\$31.2M	N/A	113	2016	2020
Ambulatory Care	\$99.1M	1,200	N/A	2015	2017
Genesys Learning Institute	\$21.5M	375	N/A	2014	2018
Research and Development Park	\$129.6M	455	N/A	2016	2020
Retail & Restaurant	\$63.1M	1,058	N/A	2014	2016
Residential	\$27.7M	14	N/A	2015	2017
PHASE II Total**	\$372.2M	4,883	3,540		
TOTAL INVESTMENT	\$484.8M	5,283	4,549		

* Flint Based Projects

**Per AEG Economic Study, 2012