



2020 Year-in-review

Presented by: Akram Boutros, MD, FACHE

on behalf of 7,820 Committed MetroHealth Employees

Supporting our Staff and Community



Supporting Those Who Support the Community

- Created and modified HR policies and procedures, and successfully transitioned 1,000 employees to a remote work environment
- Launched a cross-functional task force to address the health and wellbeing of our employees throughout the pandemic including:
 - Weekly Snacks, Meals and Giveaways
 - Resilience and Healing Circles
 - Mindfulness Techniques and Relaxation Tools (Headspace App, Massage Chairs, Reiki)
 - Meditation, Prayer and Support Groups
- Partnered with Urban Community School to provide virtual classroom environment for school age children of MHS employees
- Provided STNA courses to skill up current employees and build a pipeline for hard-to-fill positions
- Expanded tuition reimbursement for Nursing programs to address nationwide nursing shortage

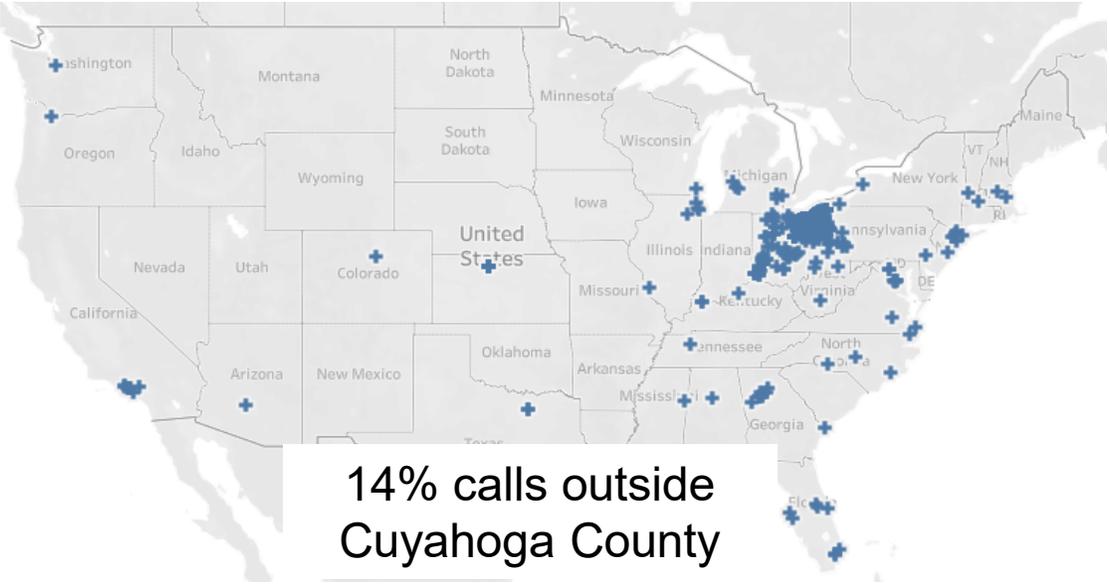


Elevating Racial Equity and Inclusion

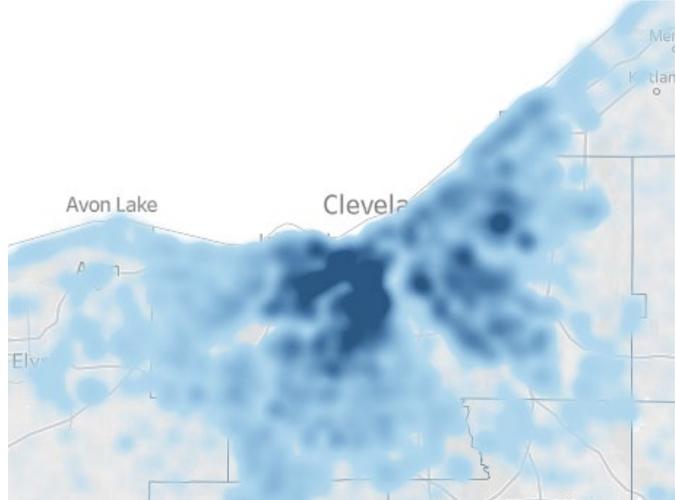
- Launched Healing Begins with Listening video series
- Launched Sr Leadership, System & Foundation Board Member Training - “Intrinsic Inclusion”
- Delivered Intact Team IDE Training (HR, OPX, Legal, Provider Recruitment, Graduate Medical Education)
- Updated system Non-Retaliation and Non-Discrimination Policies
- Conducted Supplier Diversity Outreach Event – “How to do business with MetroHealth”
- Conducted 60+ Employee and Provider Focus Groups to provide an open, safe environment to engage in diverse dialogue and established Inclusion & Diversity Council at Jail



Immediate Help: COVID-19 Hotline



14% calls outside Cuyahoga County



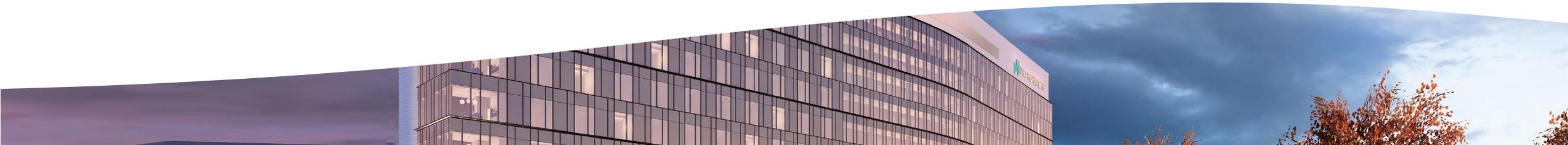
66,000 calls & 33,000 provider encounters

3,000 provider encounters with patients that had no prior contact with MetroHealth



Remembering the Forgotten – COVID-19 Testing

- First in the region to offer 2 hour rapid PCR testing
- Expanded testing to 4 different platforms at our Main Campus, Parma, Cleveland Heights, and Brecksville labs, handling over 1,000 specimens/day
- 80,127 COVID tests performed in 2020 with an average turnaround time of 7.9 hours. >96% of tests were completed within 24 hours
- Rapid cross-training program of 13 techs who facilitated MetroHealth's ability to implement 24/7 COVID testing
- Partnered with Cuyahoga County Board of Health to provide COVID-testing for high-risk congregate living environments (homeless shelters, group homes, residential substance abuse and addiction service providers)



Accelerate Vaccination – COVID-19 & Influenza

- Provided influenza vaccination in homeless shelters and group homes
- One of 10 Pre-Positioning Hospitals in Ohio and our high-risk employees were among the first in the state to receive the COVID vaccine
- MetroHealth led the way in vaccine administration with 1,174 employees vaccinated in ~48 hours after arrival using every available dose
- The dedicated group of Pharmacists administered >4,000 doses to employees leading northern Ohio hospitals in the percentage of vaccine administered
- Partnered with CCF, UH and SVCMC to coordinate vaccination
- Partnered with Greater Cleveland Pastors to promote vaccination to communities of color



Touching Those Suffering from Pandemic Isolation

- Implemented key initiatives to support system-level experience during COVID-related disruptions in care, including:
 - Compassionate Care Rounding program
 - 2020 General Election – Assisted 32 patients to exercise their right to vote
 - COVID patient and visitor facing signage and wayfinding
 - Implemented virtual programming for the Students Are Free to Express Program
 - Engaged volunteers in CSU Men's Basketball virtual visits with pediatric patients and Calls for HOPE.
- Implemented Spanish “MyChart” health record



Surging Our Institute for H.O.P.E.™

- Completed 11,200+ deliveries of food (over 145,000 pounds of fresh produce and other foods), toiletries and cleaning supplies to at-risk populations
- Launched Calls for HOPE and made 3,400+ warm line calls to 1,200+ individuals in need of virtual companionship during isolation
- Created COVID resource web pages with 219,800+ views to date
- Distributed over 1,500 donated masks and COVID education flyer
- Provided over 1,500 meals to isolated seniors and people who are homeless
- Screened 32,000+ adults for SDOH
- Launched Unite Ohio with 50+ community partners. Referred almost 1000 needs to date
- Connected 300+ Clark Fulton households with internet with Empower CLE and provided over 200 1:1 digital literacy sessions to Scranton Castle seniors
- Received \$1.1 million in grant funding to support Trauma Recovery Center & related programs



Managing the Cuyahoga County Jail

- For the second consecutive year, the Ohio Department of Rehabilitation and Corrections' annual inspection of medical care at the jail found zero deficiencies
- In March 2020, team worked with the Administrative Judge and others to reduce the population from nearly 2,000 inmates to less than 1,000 in roughly a week.
- This allowed our staff to isolate, quarantine and treat inmates with COVID, resulting in no inmate death due to COVID

41

COVID+ Patients

96

Discharged Patients

596

Recovered Patients



Community & Economic Transformation

- Via Sana, the 72-unit affordable-housing project on the northern edge of Main Campus, received final design approval from the city
- A \$3.8 million, 15-chair MetroHealth Family Dentistry Clinic under construction in Ohio City is scheduled to receive its first patients in July
- A \$2.8 million facility improvement of the MetroHealth Outpatient Surgery Center at West 150th is on schedule for completion in March
- Site acquired for new MetroHealth Police headquarters on West 25th Street



Health Care Innovation & Transformation

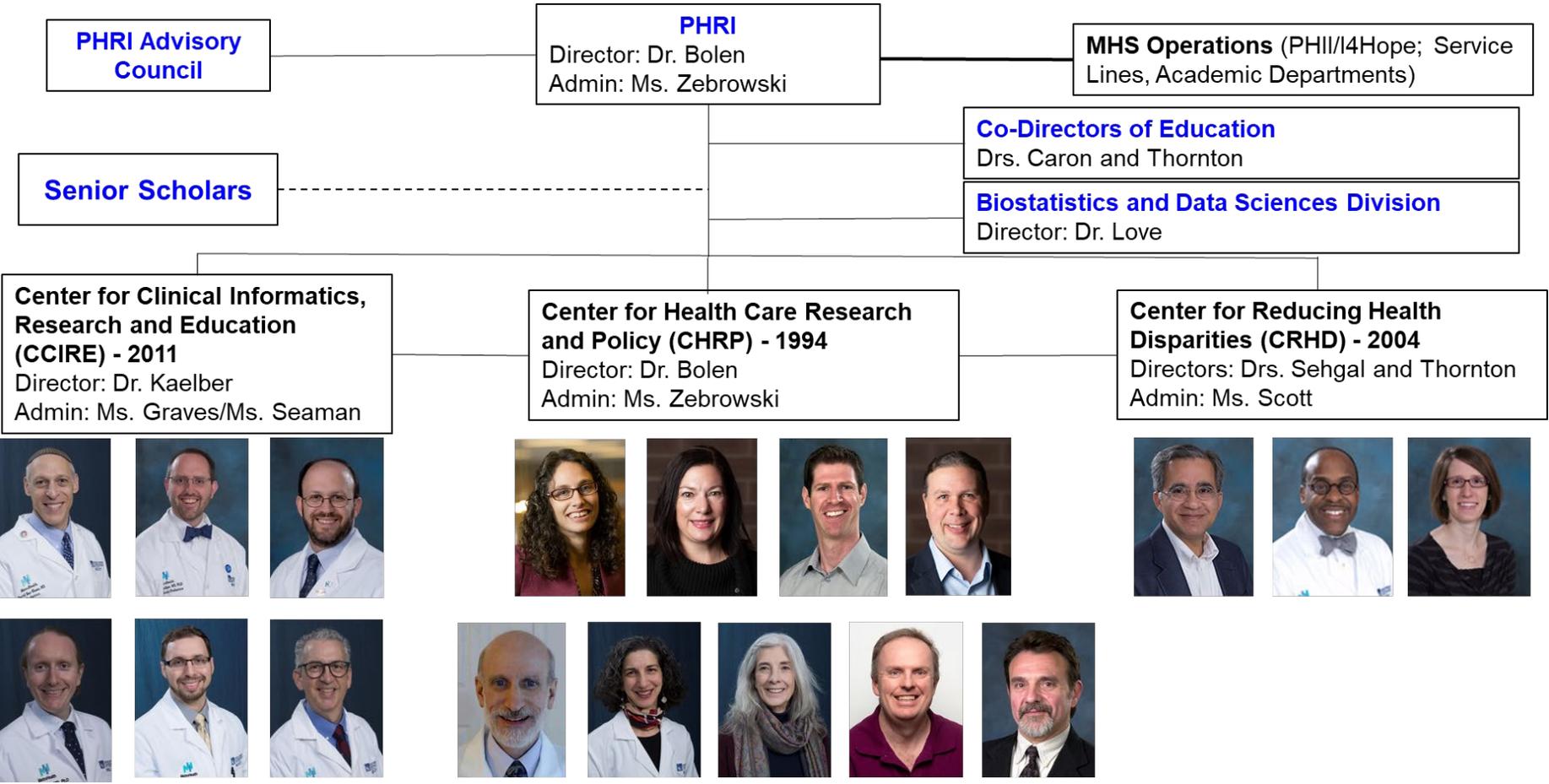


Commitment to Training the Next Generation

- In June 2020, we were informed by University Hospitals that our 50 year partnership in training surgical residents would end in July 2021
- We have had 16 surgical residents on the ground at MetroHealth at any one time from this combined program
- In January 2021, our application to sponsor our own Surgery residency was approved by the Accreditation Council for Graduate Medical Education (ACGME)
- We have been approved for 3 resident positions/year for the 5 year program
- We are now recruiting current surgical residents and interns to fill our residency positions as of July 1, 2021

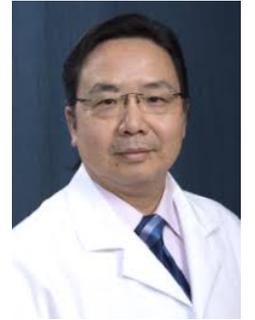


Launch of the Population Health Research Institute



Advancing Cancer Care

- Addition of Dr. William Tse as the Chief, Hematology & Medical Oncology
 - National researcher in CAR-T cell therapy for hematologic malignancies
- Pursuing partner status in NCI Case Comprehensive Cancer Center
 - 3 nationally known cancer researchers will join us in March, with an additional 5 RO-1 grants
 - Increased the clinical trials available for participation and accrued more patients
- Provider Additions:
 - Dr. Tonjeh Bah (Hematology & Medical Oncology)
 - Dr. Eli Scher (Radiation Oncology)
 - Two Nurse Practitioners to expand patient access & infusion services throughout the community
- Replacement of Linear Accelerator (Installed & being calibrated)



Strategic Plan Refresh

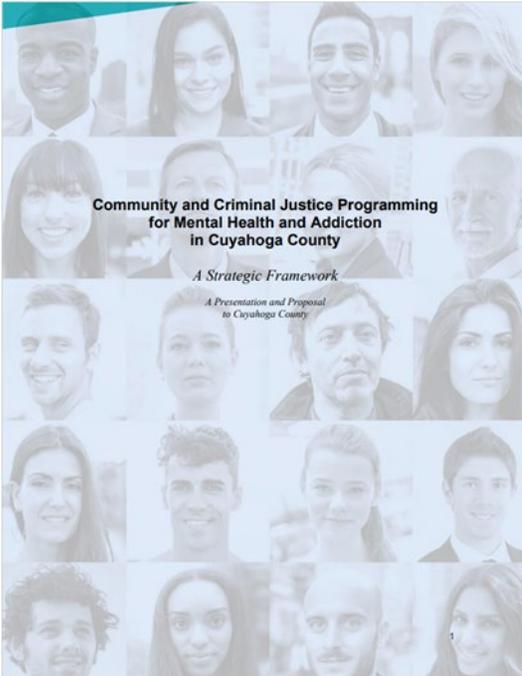
- Anticipating short and long-term impact of COVID-19 on healthcare, we immediately analyzed and reprioritized all major components of the health system and rearticulated 2025 strategic to position The MetroHealth System for the future



When Others Retreat, We Lead Behavioral Health & Addiction Medicine

Collaboration

Convened 11 community partners to create a strategic framework for mental health and addiction in Cuyahoga County



Investment

Planned and designed \$42 million, 110-bed behavioral health unit at the Cleveland Hts. Campus to address dire needs of patients with SMI & SUD



Advancing and Leading Value Based Contracting

- Achieved 100% of Medicaid, 95% of Medicare, and 65% of Commercial patients in VBC
- \$19 million of VBC revenue in shared savings and quality incentives
- MetroHealth selected as Medicare Direct Contracting Entity, the most advanced VBC model including both capitation & management of FFS global spend.
- Partnership with United Healthcare to launch a proof-of-concept pilot of the ODM's Mom & Baby Bundle re reducing preterm birth, low birthweight & racial/ethnic disparities in birth outcomes.



Embracing Virtual Care – The Future of MH

- Hospital in The Home program launched in April resulting in 281 unique patients with ages ranging from 21 to 94, with average daily census of 27 in last 60 days
- Only 5% of all patients in the Hospital in The Home program have been readmitted
- The Virtual Care Enterprise selected CareSimple as its Remote Patient Monitoring vendor partner in September and launched the program in November
- 4G-enabled remote patient monitoring devices are used to support twenty eight patients in the Red Carpet Care program suffering from chronic cardiac and pulmonary diseases



Operations



The Year of COVID-19 & Surge Planning

Budgeted Census	Tier I	Tier II	Tier III
ICU = 102	ICU = 137 (134%)	ICU = 222 (217%)	ICU = 262 (256%)
Med/Surg = 216	Med/Surg = 423 (195%)	Med/Surg = 513 (237%)	Med/Surg = 633 (293%)
Rehab/Skilled = 86	Rehab/Skilled = 109 (126%)	Rehab/Skilled = 109 (126%)	Rehab/Skilled = 109 (126%)

- Surge plan developed by interdisciplinary Executive Team
- Addressed beds, staffing, and equipment
- Identified COVID Units and COVID Intubation Team
- Planned for phased closure/consolidation of Ambulatory sites and re-purposing of staff
- Just-in-time training to provide high quality in-patient care
- Newly created Capacity Command Center to manage external requests and expedited admissions and discharges

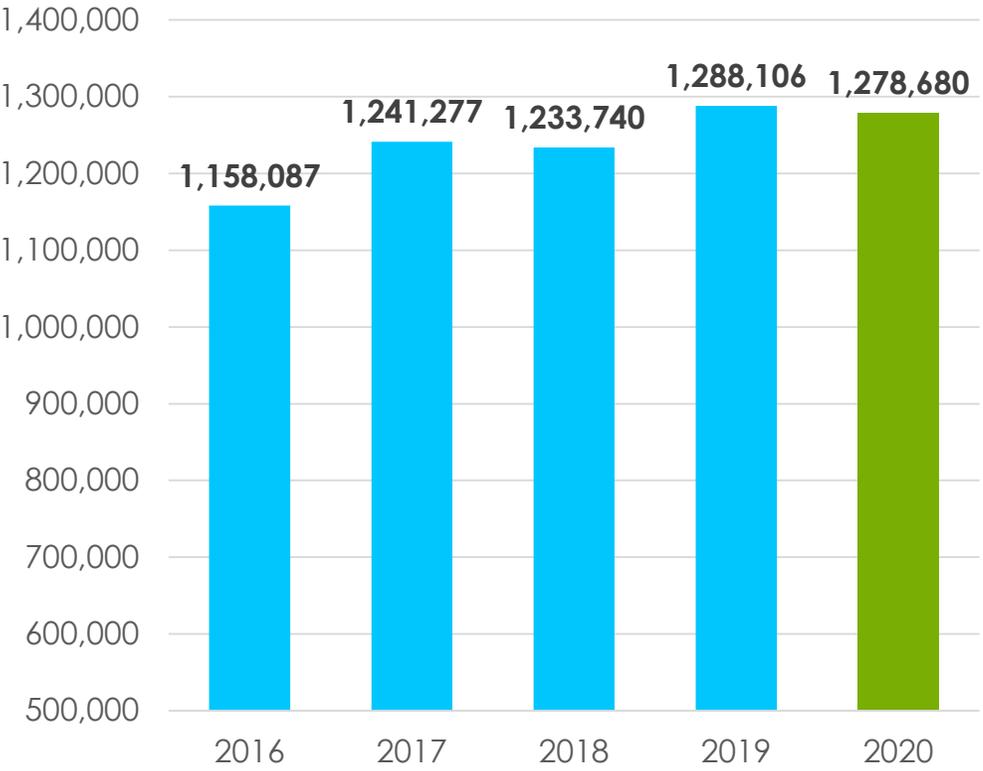
COVID-19 Key Statistics (FY2020)

Inpatient discharges	643
Average Length of Stay	8.3 days
Lab tests – total	80,127
Lab tests – positive	10,686
COVID+ employees	754
Patient Deaths	56

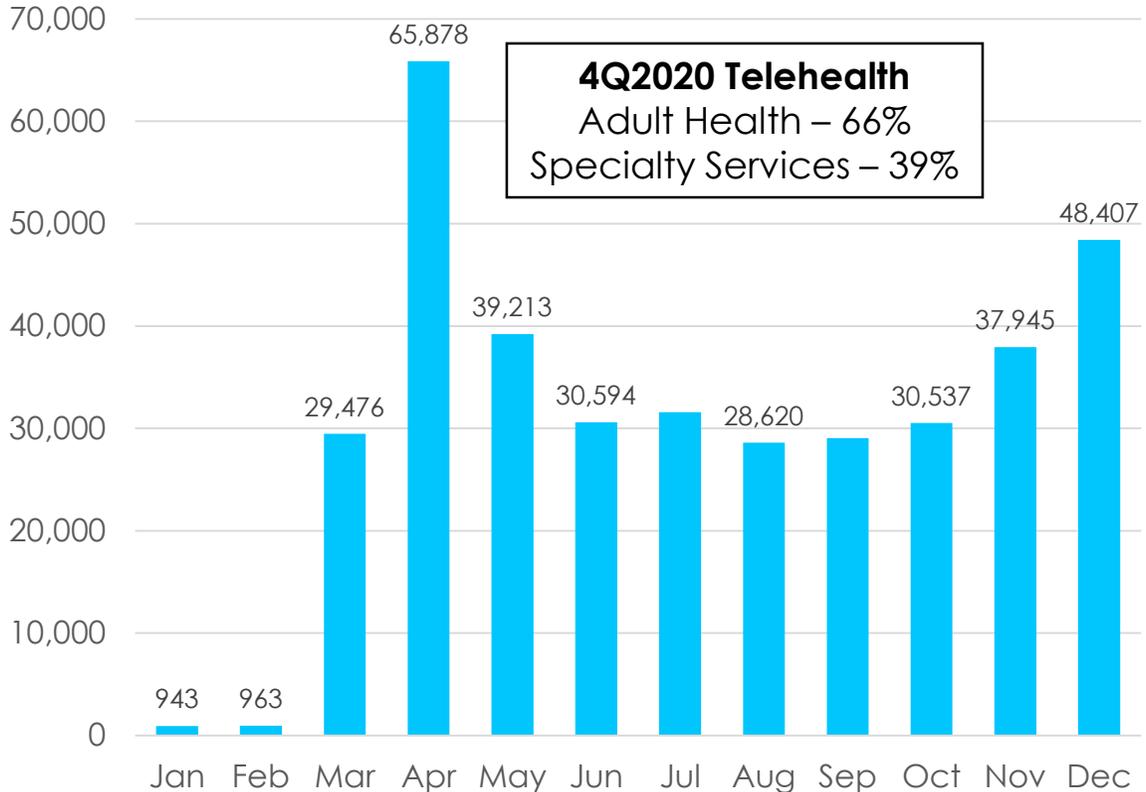


Agile Care – Outpatient Care Through Telehealth

Visits



Telehealth Visits



Continuing Our Program Expansion



Parma Medical Center Adult III Trauma Center



Soon to be named, MetroHealth
Glenville Community Health Center



Ohio City Health Center

The screenshot shows the LUMINA website interface. At the top, the LUMINA logo is displayed with the tagline "IMAGING AND DIAGNOSTICS". Below the logo, there are two location cards. The first card is for the Mentor location, providing the address "8401 Mentor Ave Suite B 44060", a "Get Directions" button, and the phone number "440-592-6095". The second card is for the Solon location, providing the address "5855 Harper Road Suite A Solon, OH 44139", a "Get Directions" button, and the phone number "440-592-6105". Below the location cards, there are two smaller images: one of a brick building with the LUMINA logo and another of a modern building with the LUMINA logo and the address "5855".



Support Services



Keeping Our Caregivers Safe – Supply Chain



Managed Complexity of a Globally Disrupted Supply Chain

- Mobilized a **dedicated PPE team** in sourcing, purchasing, and materials management, in concert with MHS Infectious Diseases, Quality and Operations
- Grew stockpile to include **10M Gloves, 35,000 Gowns, 670K masks, 100K N95 masks, and 215K KN95 masks**
- Active member of the State of Ohio PPE Strikeforce of Ohio Hospital Supply Chain Executives in collaboration with ODH and OHA

Distribution Network Transitioned to Owens & Minor

- Over 34,000 purchase lines per year, **\$30 Million in Medical Supply Spend**, and over 5,000 unique items
- O&M will **offer increased Tier 2 Diversity Spend**
- New distribution model implemented to deliver **direct to Main Campus AND all satellite locations**
- New model yielded efficiency gains, elimination of time delays in supply delivery and reduced courier expense



Supply Chain Process Transformation



36 New Policies
and Procedures
Implemented

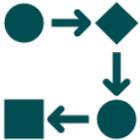
Number of Expired Contracts

475
Early 2020

76
Now

84% Reduction

New Onboarding Process to Retain Talent



Contract Intake Tool

Process Improvements

- Launched new policies and procedures to improve **compliance and improve process standardization**
- Concerted efforts to eliminate expired contracts
 - **84% reduction achieved in 2020**
 - *Contracting standards and **contract management forecasting** implemented to limit future occurrence*
- Continued/expanded focus on foundation building and personnel training
 - **Onboarding checklist** for new SC staff and a *Manager checklist* was developed to ensure **standard training and mentoring**
- **Web-based contract intake tool** implemented to promote efficient, standardized information flow, while maximizing the customer experience

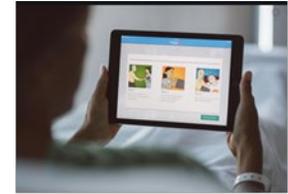


Securing Our Digital House – Information Services



**Epic Secure
Messaging
Provider
Communications**

- Epic Electronic Medical Record upgrades and enhancements for improving clinical care and operations
 - *Includes MyChart Bedside, Secure Messaging, Transfer Center, Pharmacy Willow IP Inventory, Epic Advanced Scheduler*



**Epic MyChart
Bedside**



Involta Data Center

- Migration of production data center to Involta Independence, enhanced IT infrastructure and business continuity capabilities



**Epic Grand Central
Transfer Center**



**McPc Security
Operations Center**

- Enhanced Cyber Security Posture with Multi-Factor Authentication and McPc Security Operations Center (SOC)
- COVID-19 support including migrating 900+ remote workforce to work-from-home, transformed telephone and video visit capabilities to over 30,000 visits per month, and implemented VitalTech Hospital-at-Home program



Hospital-at-Home



Public Safety, Communications & Facilities Management



Public Safety

- Narcan administered to 28 overdose victims
- All officers received de-escalation training
- Underbudget despite overtime from increased police presence due to COVID-19

Marketing & Communication

- 500+ MH caregivers cited by national media for expertise on COVID-19

The Washington Post



WSJ CNN

The New York Times

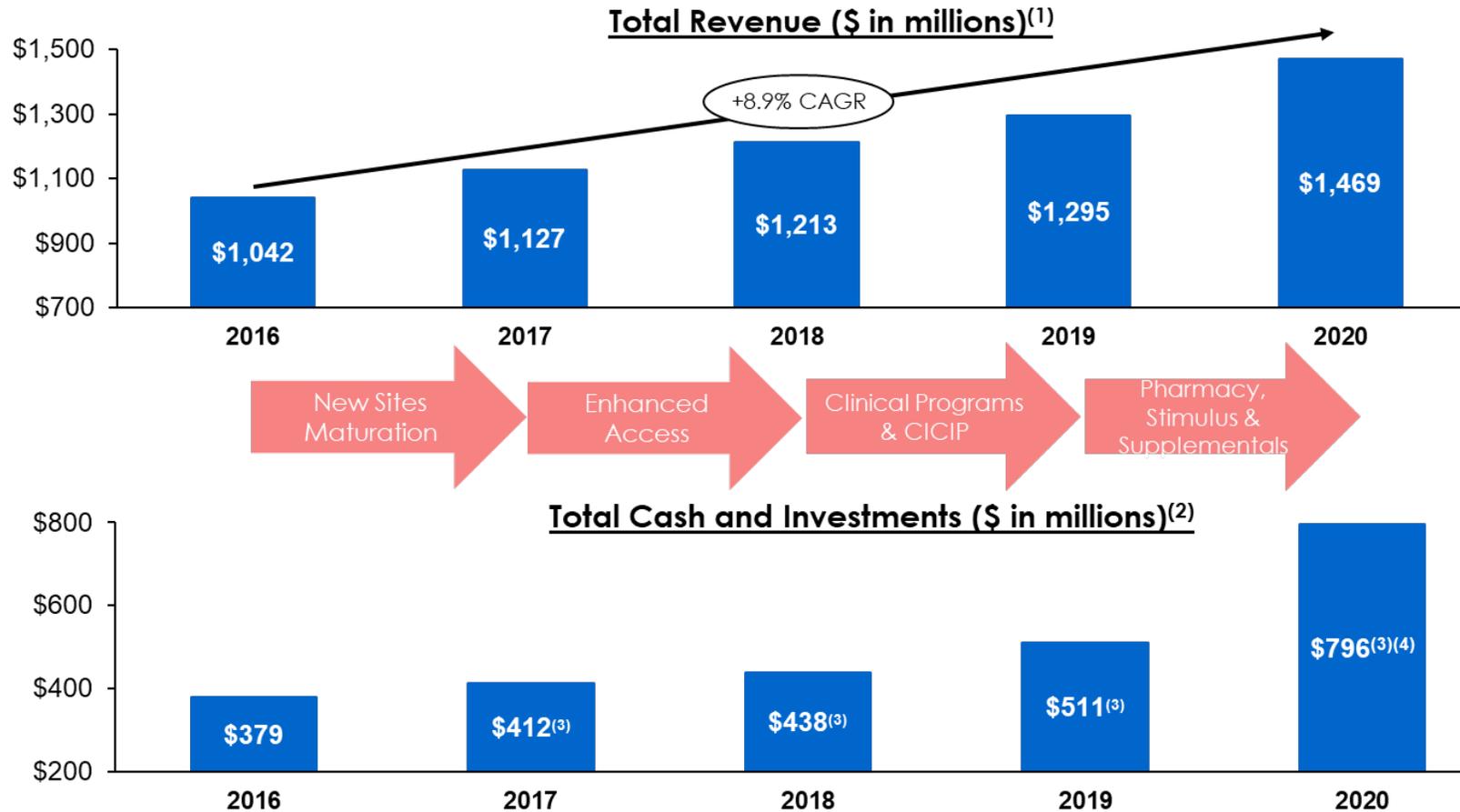
Facilities

- Installed hundreds of barriers, signs, and dividers to protect patients and staff from COVID-19
- 100+ major facilities outages remediated quickly to mitigate operational impacts

Financial Highlights



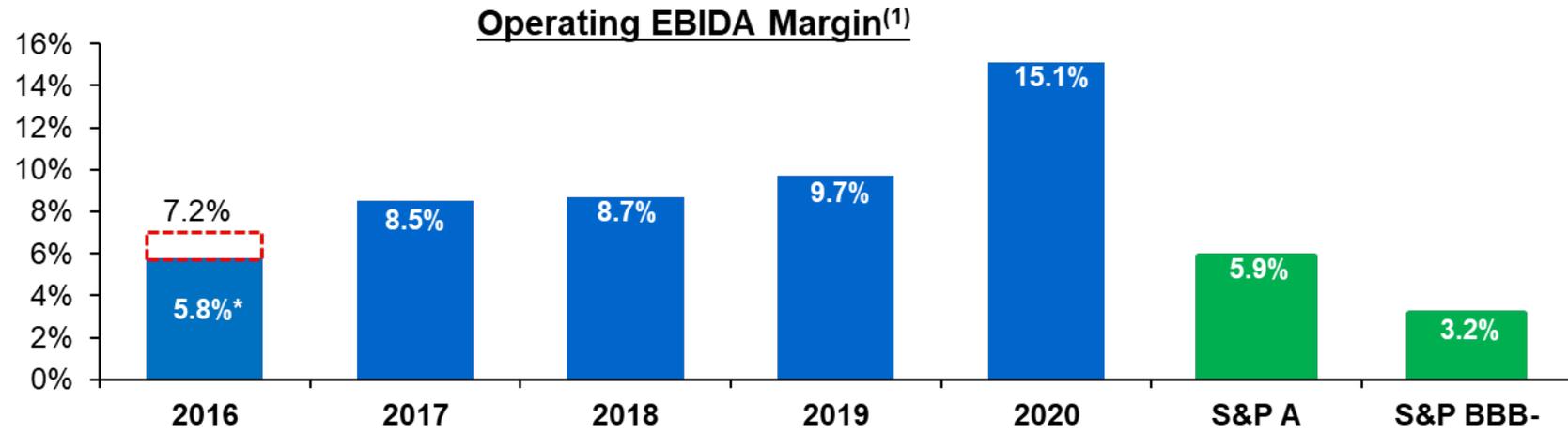
Revenue Growth Due to Effective Strategy



- (1) Annual County Appropriations FY16 – FY 20 were \$32.4MM, respectively
- (2) Includes bond-related restricted funds
- (3) Excludes Series 2017 Cap I and Project Funds
- (4) Includes \$89M in advance payments expected to be paid back

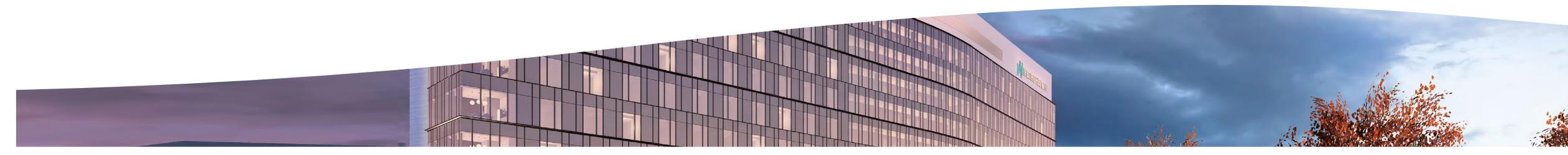


EBIDA and Operating Margin Exceed Rating Medians

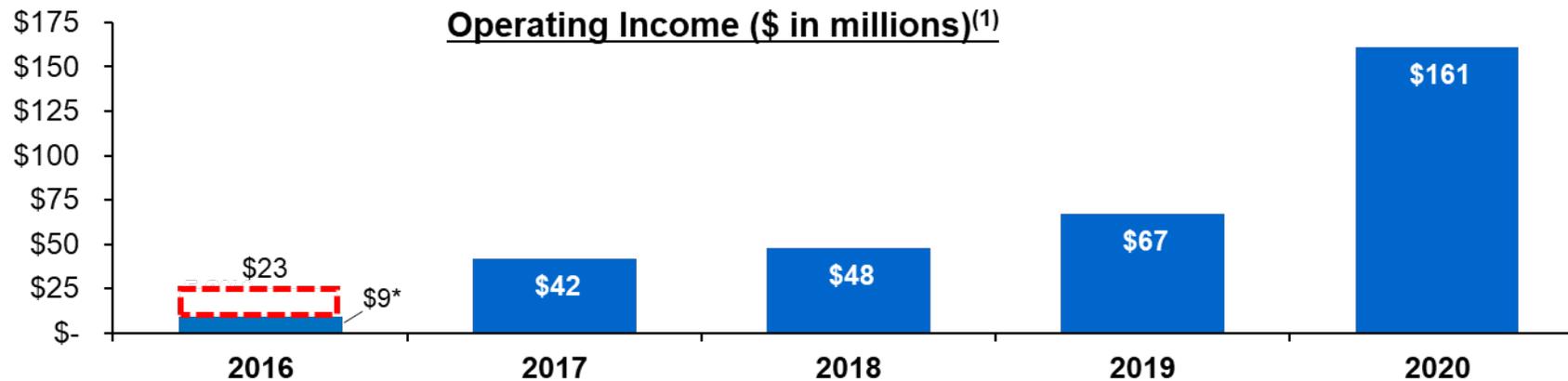
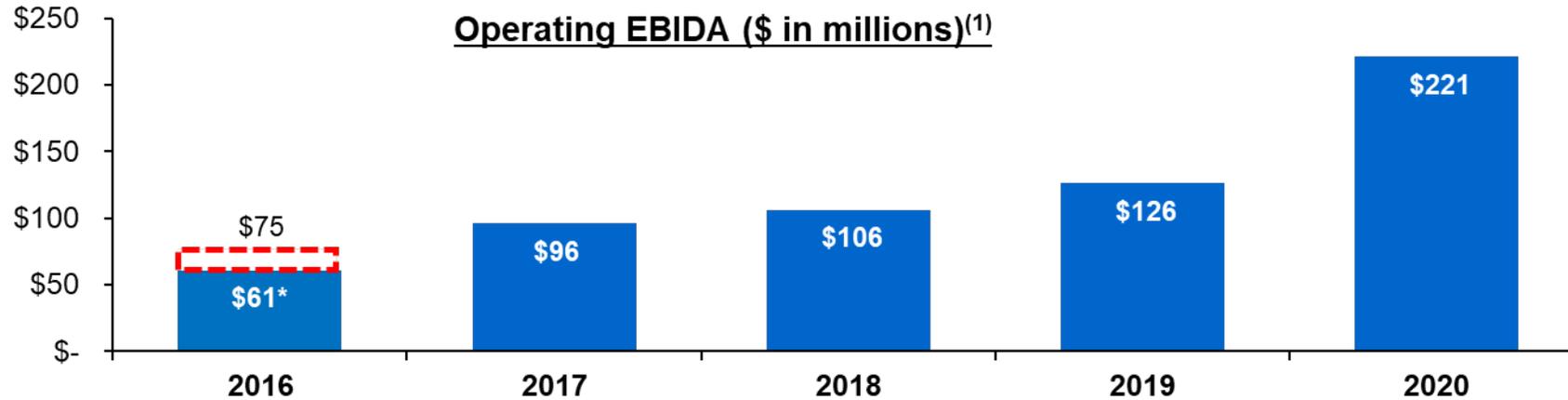


(1) The presentation of operating EBIDA and operating margin (excludes non-recurring items and GASB 68 and GASB 75 Pension as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability factors of our business. Non-recurring charges include one-time investment and transitional costs relating to the integration of the HealthSpan locations).

* Margin calculation includes the one-time transitional cost.

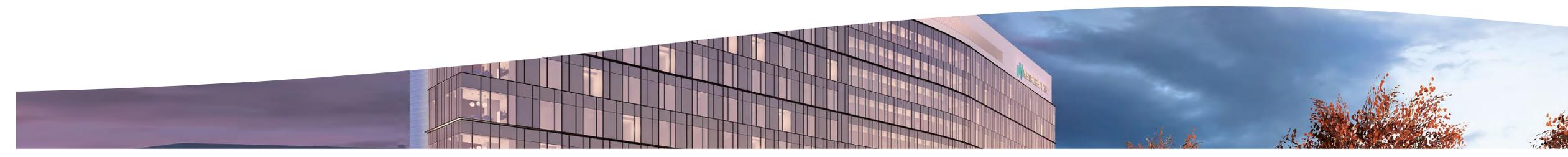


EBIDA and Operating Margin Exceed Rating Medians

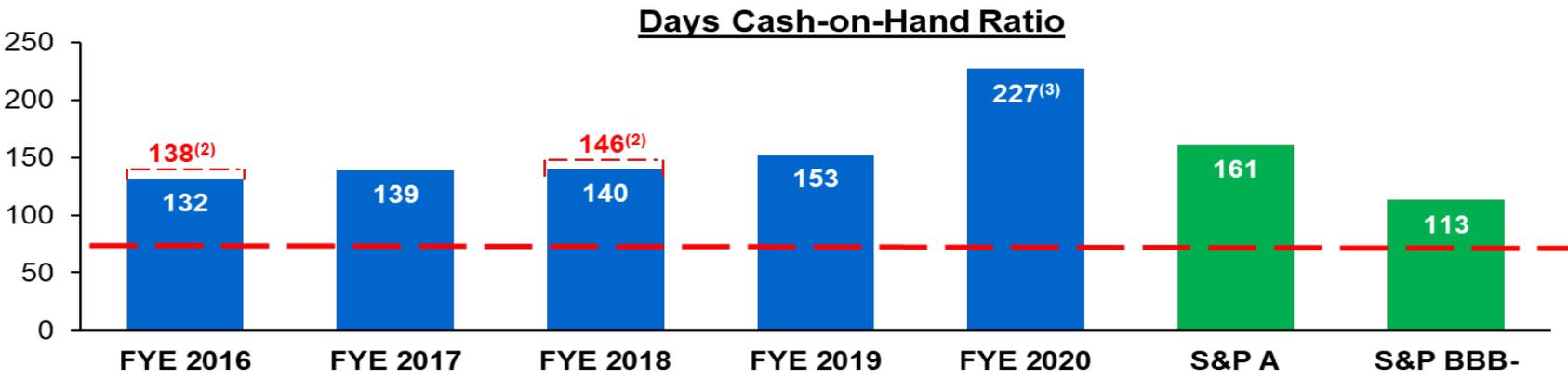
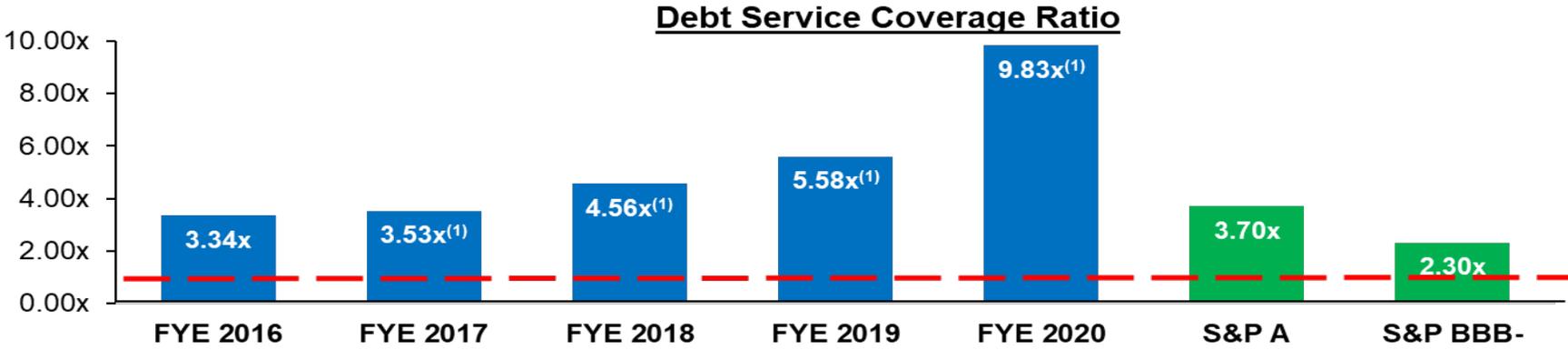


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MetroHealth's Covenant Ratios Remain Strong



— — Covenant
 Adjusted
 Result

(1) Excludes the GASB 68 and GASB 75 adjustment recorded on an annual basis using the results from the OPERS actuary reports. In Ohio, employer contributions to the State's cost-sharing multi-employer retirement systems are established by statute. These contributions, are payable to the retirement systems one month in arrears and constitute the full legal claim on the System for pension funding. Although the liabilities recognized under GASB 68 and GASB 75 meet the GASB's definition of "liability" in its conceptual framework for accounting standards, they do not represent legal claims on the System's resources, and there are no cash flows associated with the recognition of net pension liabilities, deferrals and expense)

(2) Includes UPL expected, HCAP (net)

(3) Includes \$89M in advance payments expected to be paid back



Rating Agencies Confirm MHS Performance and Navigation thru COVID-19 Crisis

- **Moody's (July 2020) and S&P (September 2020) affirmed the Baa3/BBB- (Stable) ratings and outlooks**
- The agencies have identified the following factors in consideration for a future upgrade:
 - Completing the existing Transformation project on time and on budget while meeting financial projections forecasts
 - Deleveraging of balance sheet
 - Sustained improvement in operating EBIDA margin
 - Continued growth in liquidity (DCOH and Cash-to-Debt)

U.S. PUBLIC FINANCE

Moody's INVESTORS SERVICE

CREDIT OPINION
16 July 2020

✓ Rate this Research

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MetroHealth System, OH
Update to credit analysis

Summary
The MetroHealth System (MHS, Baa3/stable) will return to pre-COVID operating performance in fiscal 2021 given the rebound in volumes and MHS's role as a trauma, teaching and safety net provider. The improvement in cash flow will be integral to deleveraging given the system's high debt burden and expectations for lower results in 2020. Operating performance has been solid over the previous three years and leading up to the pandemic although with continued reliance on annual supplemental funding which will make the system more vulnerable to reductions. Despite an above-average Medicaid exposure given its essential role, the system's payor mix has dramatically improved with higher commercial and Medicare volumes due to successful growth strategies throughout the service area. A core competency in managing growth will be integral to the completion and opening of the transformational capital project at the flagship (2023), a key credit risk. A fixed rate debt structure and absence of debt service payments until 2023 is viewed favorably.

Table 1
MHS will continue to generate favorable performance while large project is underway

Year	Operating Revenue (\$'000)	Operating Cash Flow Margin (%)
2015	~900,000	~6.5%
2016	~1,000,000	~7.5%
2017	~1,100,000	~8.5%
2018	~1,200,000	~9.5%
2019	~1,300,000	~10.5%

Source: Moody's Investors Service

Credit strengths

- Margins and revenue growth will be sustained by growth strategies, further efficiencies and supplemental funding
- Adequate liquidity should show some growth over the next few years with change in investment policy and majority of construction funded with debt

Cuyahoga County, Ohio
The MetroHealth System; Hospital

Credit Profile

Cuyahoga Cty, Ohio		
MetroHealth Sys, Ohio		
Cuyahoga Cty (MetroHealth System)	BBB-/Stable	Current
Long Term Rating		

Rationale

S&P Global Ratings' long-term rating on Cuyahoga County, Ohio's series 2009B taxable hospital revenue bonds and series 2017 fixed-rate revenue bonds, issued for The MetroHealth System (MetroHealth), is 'BBB-'. The outlook is stable.

The series 2009B bonds were issued through, and receive an interest rate subsidy from, the U.S. Treasury under the Build America Bonds program.

Credit overview

The rating incorporates our view of MetroHealth's essentiality as a safety net provider, its role as one of Northeast Ohio's two Level I adult trauma centers, and its wide array of service options for the county's residents. We continue to view favorably the fully integrated employed medical staff and the comprehensive teaching program through Case Western Reserve University School of Medicine. In addition, management's focus on growth in ambulatory care as well as on partnerships and shared savings programs and at-risk contracts continues to position MetroHealth well for value-based reimbursement. We also believe that MetroHealth's ability to serve the surrounding counties as a result of the passage of legislation in 2018 will continue to support the enterprise profile.

MetroHealth is in the midst of its Campus Transformation Plan, a large capital project to replace its inpatient towers. While we believe the plan will support MetroHealth's recent programmatic and ambulatory strategy work and further support MetroHealth's position in the market in the next several years, we view the large capital project and high debt load as a credit risk for its financial profile that we consider to be light for the rating. That said, management continues to meet targeted operating performance, and the sustained improvement has been important as management moves through the project to generate sufficient cash flow to meet debt service obligations and to increase unrestricted reserves to provide needed cushion given the project's magnitude and debt size. Given MetroHealth's status as a safety net provider for the county, its financial profile incorporates dependence on supplemental revenue sources, including disproportionate share hospital and Upper Payment Limit payments reflecting MetroHealth's government-oriented payer mix albeit with benefits from long-demonstrated support from Cuyahoga County, through significant proceeds from voter-supported levies.

Through the interim period, operations are favorable, including about \$71 million in Coronavirus Aid, Recovery, and

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SEPTEMBER 29, 2020 2

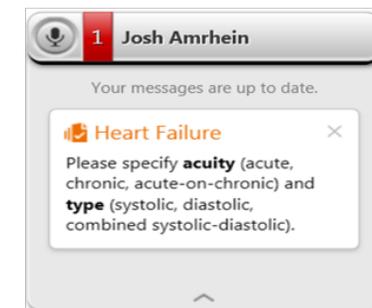
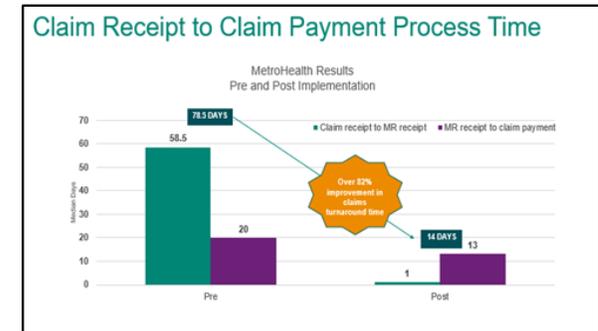
Revenue Cycle Management – Intelligent Automation

Innovation, Efficiency and Patient Centric Solutions

- Championed & awarded 1st EPIC approval for the use of **Robotics** within their Electronic Medical Record system improving registration by 11%
- Developed Hyland Connect bi-directional electronic interface to transfer medical records and billing requests
 - MMO first payer
 - Over 82% turnaround improvement in ED claims to payment
 - Over 13% reduction in medical record requests
- Implemented EPIC/Humana medical record bi-directional electronic interface to transfer medical records decreased manual intervention by 95% since July
- Launched Clinical Documentation Improvement automation & education yielding **an estimated \$1.8M net revenue improvement**
 - CDI Provider natural language auto queries based on CMI Inpatient documentation opportunities reducing/eliminating manual intervention.

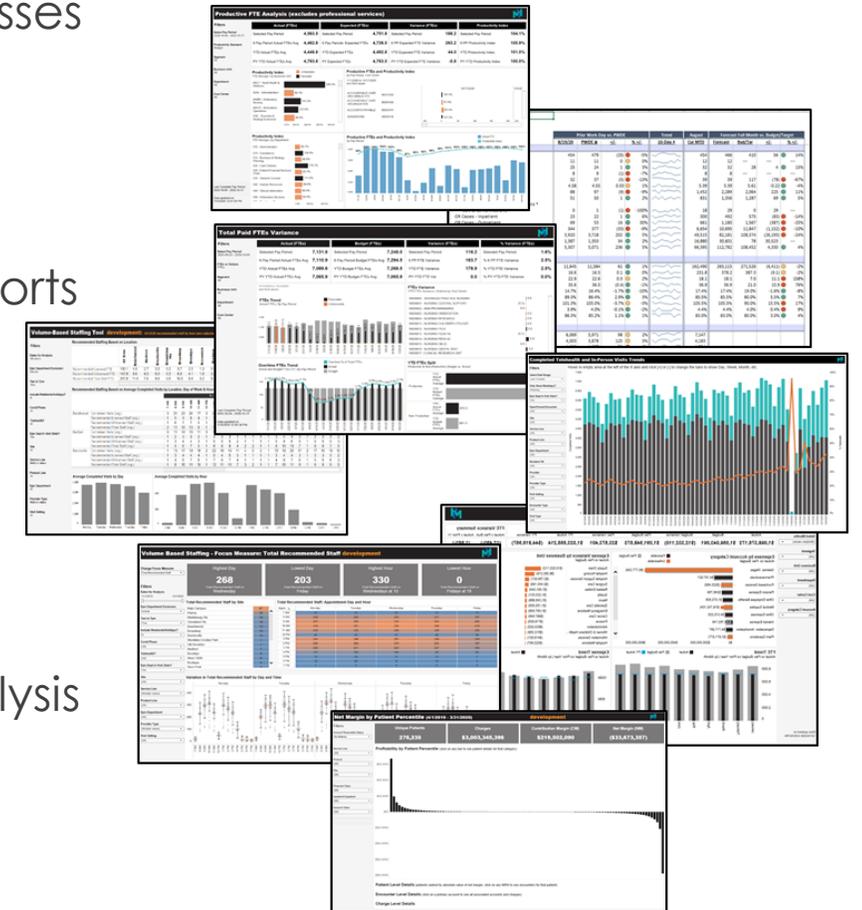


Technology manages transactions
so resources can care for people



Financial Planning & Enterprise Data Analytics

- Improved forecasting, budgeting, productivity & costing processes
- Enhanced management reporting
- Developed daily, weekly, monthly forecasting and impact analyses
- Developed new trended labor and productivity monitoring reports
- Vizient labor and operational benchmarking implementation initiated
- Developed new budget and volume-adjusted flexible budget tools
- Integrated telehealth tracking into reporting
- Developed longitudinal profitability by patient and service analysis
- Led development of inpatient throughput analytics portfolio



Campus Transformation



Campus Transformation

- The Campus Transformation project passed its halfway point in construction in 2020. As of January 2021, 16 months remain in the schedule to construction completion. The project has proceeded on time and on budget
- In response to updated projections of need, designed and implementing 118 additional inpatient beds and rooms staying within budget and timeline
- Finalized renovation and design of critical care pavilion (CCP) to serve as Women's and Children's Pavilion within budget and accelerating timeline by 15 months

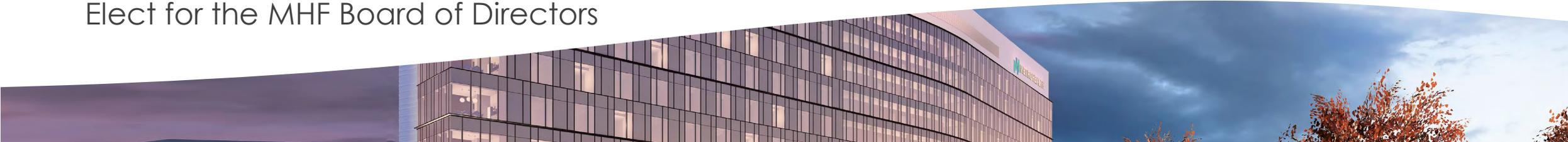


MH Foundation & System Philanthropy



Record Breaking Year in Philanthropy

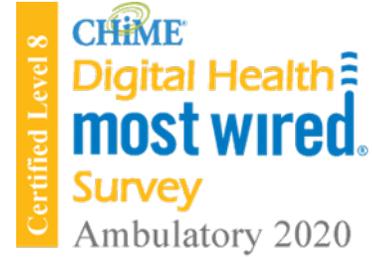
- Received \$42 million gift from JoAnn and Bob Glick – largest in the System’s 183 year history.
- Raised \$55.8 million in philanthropic support, including an unprecedented \$13 million in cash and pledges
- Increased focus on major gift fundraising, resulting in 31 gifts or grants of \$100,000 or more, a 41% increase compared to 2019
- Attracted 14 new major gift donors to MetroHealth, each contributing at least \$10,000 in support, a 75% increase compared to 2019
- Raised \$2.06 million in cash for COVID-19 relief efforts using e-appeals and major gift fundraising
- Attracted 275 first time donors to MetroHealth
- Pivoted GALA2020 and other events to “virtual” fundraising opportunities, resulting in \$297,000 in support
- Board selected Gareth Vaughan, President and CEO of The Albert M. Higley Company as Chair Elect for the MHF Board of Directors



Recognition



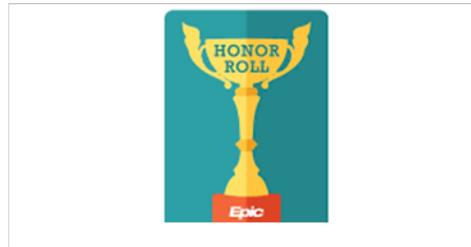
Awards & Recognition



Surveyor noted MHS to be in the top 5 hospitals for EMR



4th consecutive designation



Meets standards for Comprehensive Stroke Center

3rd consecutive designation

