Forward-looking statements in this presentation

Certain statements included in this presentation constitute “forward-looking statements.” Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “predict,” “estimate,” “anticipate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the captions “STRONG BALANCE SHEET AND LIQUIDITY TO SUPPORT OUR PEOPLE-CENTERED STRATEGY.”

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Trinity Health does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or fail to occur.
Results and progress on our people-centered strategy

Rick Gilfillan, M.D.
Chief Executive Officer
Our Mission drives our Vision and strategy

We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

Our Core Values

- Reverence
- Commitment to Those Who are Poor
- Justice
- Stewardship
- Integrity
Trinity Health’s 22-state health system in FY18

$18.3B
In Revenue

1.5M
Attributed Lives

$1.1B
Community Benefit Ministry

133K
Colleagues

7.8K
Employed Physicians & Clinicians

28.0K
Affiliated Physicians

94
Hospitals* in 22 states

18
Clinically Integrated Networks

17
PACE Centers

109
Continuing Care Locations

*Owned, managed or in JOAs or JVs
In FY18, we provided a highly diversified set of services to the people in our care.

<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of People Served</td>
<td>6M</td>
</tr>
<tr>
<td>Babies Born</td>
<td>67K*</td>
</tr>
<tr>
<td>Provider Encounters</td>
<td>3.9B</td>
</tr>
<tr>
<td>ER Visits</td>
<td>2.4M</td>
</tr>
<tr>
<td>Discharges</td>
<td>0.6M</td>
</tr>
<tr>
<td>Home Care &amp; Hospice Admissions</td>
<td>105K</td>
</tr>
<tr>
<td>Long-term Care Days</td>
<td>1.1M</td>
</tr>
</tbody>
</table>

*In CY17, 1.71% of all U.S. Births were at a Trinity Health hospital.*
Our national presence creates a well-diversified base

Based on FY18 Operating Revenue

**Regional Health Ministries**

**Other Remaining** includes ministries with less than 3% of Operating Revenue
Our Executive Leadership Team is focused on operational excellence and transformation

Richard J. Gilfillan, M.D.
Chief Executive Officer

Mary Ann Dillon, RSM
EVP, Mission Integration

Ed Hodge
EVP, Chief HR Officer

Sally Jeffcoat
EVP, Growth, Strategy and Innovation

Michael Slubowski
President and Chief Operating Officer

Linda Ross
EVP, Chief Legal Officer

Ben Carter
EVP, Chief Financial Officer

John Capasso
EVP, Continuing Care

Dan Roth, M.D.
EVP, Chief Clinical Officer

Gay Landstrom
SVP, Chief Nursing Officer

Lou Fierens
EVP, Administrative Services

Cynthia Clemence
SVP, Operations Chief Financial Officer
We have extended our leadership team with individuals from varied business backgrounds

Emily Brower
SVP, Clinical Integration
Atrius Health

Odette Bolano
CEO, Idaho/Oregon
Kaiser Permanente

Norvell “Van” Coots, M.D.
CEO, Maryland
U.S. Army

Reginald J. Eadie, M.D.
CEO, New England
Tenet Health

Mouhanad Hammami, M.D.
SVP, Community Health
Wayne County Dept. of HHS

Ed Lamb
CEO, Ohio
IASIS Healthcare

Leslie Paul Luke
CEO, N.Y.
Community Health Systems

Tammy Lundstrom, M.D.
SVP, Chief Medical Officer
Premier Health

Michael Englehart, SVP, Medical Groups & Ambulatory Strategy
Advocate, Presence, Chicago

Chad Towner
CEO, Indiana
Community Health Systems

Cassandra Willis-Abner
VP, Diversity & Inclusion
University of Michigan

Shawn Vincent
CEO, Loyola Medicine
Augusta University Health
We are committed to our people-centered strategic plan that delivers the Triple-Aim for individuals, populations and communities.
Our People-Centered 2020 Strategic Plan has been our blueprint for building the system.
Focused operational management resulted in a strong operating margin of 2.2% in FY18 and success on our Priority Strategic Aims

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<th>Priority Strategic Aims (PSA)</th>
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<td><strong>Operating margin</strong>*</td>
<td>1.5%</td>
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</table>

*Case Mix Adjusted Equivalent Discharges

**Before Other Items
We made great progress in building our delivery system capabilities

People-Centered Health System

Episodic Health Care Management for Individuals
- Care Efficiency Improvement
- Reducing Unwarranted Clinical Variation
- Integrated Care Coordination
- Digital Business Infrastructure
- Comprehensive Patient Record Selected
- Patient-centered Design
- Improved management of our Multi-specialty Medical Groups
- Marked Improvement in Episode Payment Results

Population Health Management
- Improved ACO Performance
- Data Infrastructure
- Integrated Care Coordination
- Total Cost of Care Management
- Effective Clinically Integrated Networks
- Ambulatory Quality Improvement

Community Health & Well-being
- Standard CHWB Structure & Program
- Social Determinants of Health Data Capability
- Community Outreach and Engagement System
- Data Infrastructure
- Broad Community Resources and Partnerships
- Positive Community-based Advocacy Activities - Tobacco
- Community-based Investing
- Health Disparities Initiatives

Trinity Health Operating Platform
We refined our plan with added emphasis on …

- Care coordination across the continuum
- Consumer focus
- Community health and well-being
- Accelerated change management
- Common platforms to create effective scale
... and the common platforms are:

- Workday, our system-wide HR and payroll platform, is up for 90% of our people
- ERP PeopleSoft – Finance and Supply Chain Wave 2 & 3 initiated
- Trinity Health Leadership System is established, well-coordinated and deployed
- EPIC – single, unified system project initiated
We have chosen Epic as our single unified clinical and revenue platform

- People-centered care experiences
- Seamless integration among colleagues and clinicians
- Operational excellence across our Ministry
We are focused on growth, innovation and managing our portfolio to support our mission and strategy.
We are using a standard set of levers to drive organic growth

**Operational Levers**

1. Physician Outreach and Relationships
2. Network Access / Operations
3. CIN and Regional Network Growth
4. Patient Choice / Network Integrity
5. Capacity and Throughput
6. Clinical / Service Line Investment
7. Payer Strategies and Product Development
8. Consumer Relationships
9. Patient Follow-Up

**Growth Plan**

Growth Plan, Prioritized And Tracked
Self-disruptive Innovation: Hospital at Home cuts costs brings people-centered care directly to patients

- Key role in innovation
- Spring 2018: Mount Carmel Health System launched Hospital at Home
- Hospital-quality care in the home
- Home Care Connect technology and home care RNs have key role

Mount Carmel Hospital at Home patient Jeffrey of Columbus, Ohio, with Mount Carmel Home Care RN Jennifer – May 2018.
Industry-disruptive Innovation: Trinity Health partners to establish not-for-profit generic drug company

- Will address shortages and high prices of life-saving generic medications
- Initial focus on 14 generic drugs used in hospitals, many of which face chronic shortages, putting patients at risk
- The company is organized as a Delaware nonstock, not-for-profit corporation, headquartered in Utah
- Initial governing members of Civica Rx represent about 500 U.S. hospitals and include: Catholic Health Initiatives, HCA Healthcare, Intermountain Healthcare, Mayo Clinic, Providence St. Joseph Health, SSM Health, and Trinity Health
- The U.S. Department of Veterans Affairs (VA) consults with Civica Rx to address its particular needs
- Three major philanthropies will join as governing members:
  - Laura and John Arnold Foundation
  - Peterson Center on Healthcare
  - Gary and Mary West Foundation
We strategically manage our portfolio and partnerships to improve system and RHM performance.
Our people-centered strategy is delivering solid financial performance

Ben Carter
Executive Vice President, Chief Financial Officer & Treasurer
Operating income jumps 50% in FY18

<table>
<thead>
<tr>
<th>Income Statement Indicators</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue ($ millions)</td>
<td>$17,628</td>
<td>$18,345</td>
</tr>
<tr>
<td>Operating Income ($ millions)*</td>
<td>$266</td>
<td>$401</td>
</tr>
<tr>
<td>Operating Cash Flow Margin*</td>
<td>7.6%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Operating Margin*</td>
<td>1.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Total Excess Revenue ($ millions)</td>
<td>$1,291</td>
<td>$902</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balance Sheet Indicators</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash ($ millions)</td>
<td>$8,404</td>
<td>$8,862</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>186</td>
<td>187</td>
</tr>
<tr>
<td>Cash to Debt</td>
<td>127%</td>
<td>125%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Volume Indicators</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Discharges**</td>
<td>1,995,000</td>
<td>2,059,000</td>
</tr>
<tr>
<td>Discharges and Observation</td>
<td>719,000</td>
<td>721,000</td>
</tr>
<tr>
<td>Outpatient Visits</td>
<td>19,587,000</td>
<td>20,051,000</td>
</tr>
<tr>
<td>Attributed and Covered Lives</td>
<td>1,946,000</td>
<td>2,089,000</td>
</tr>
<tr>
<td>Surgeries</td>
<td>413,000</td>
<td>413,000</td>
</tr>
<tr>
<td>ER Visits</td>
<td>2,382,000</td>
<td>2,373,000</td>
</tr>
<tr>
<td>Home Care Admissions</td>
<td>97,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Long-term Care Days</td>
<td>1,164,000</td>
<td>1,060,000</td>
</tr>
</tbody>
</table>

*Before Other Items
**Case Mix Adjusted Equivalent Discharges
What drove the improvement?

**Net revenue growth of $718M**

- Net volume growth of CMAEDs* 3.2%
- Payment rate, case mix increases and revenue cycle improvements of 1.1%
- Health plan premium rate improvements
- Impact of Acquisitions $177M

**Expense Growth Contained to $583M**

- Inflation increases largely offset by $406M in THLS initiatives:
  - Workforce management improvements drove 1.3% productivity improvement
  - Clinical excess including length of stay improvements of 1.7%
  - Supply Chain contract optimization and vendor product standardization initiatives
- Cost per CMAED remained flat year-over-year

**FY18 strategic investments total $97M**

*Case Mix Adjusted Equivalent Discharges*
Sustained volume drives net revenue improvements

**FISCAL YEAR:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Discharges &amp; Observations</th>
<th>ER Visits</th>
<th>Surgeries</th>
<th>CMAED*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>695K</td>
<td>2.3M</td>
<td>404K</td>
<td>97K</td>
</tr>
<tr>
<td>2017</td>
<td>719K</td>
<td>2.4M</td>
<td>413K</td>
<td>97K</td>
</tr>
<tr>
<td>2018</td>
<td>721K</td>
<td>2.4M</td>
<td>413K</td>
<td>95K</td>
</tr>
</tbody>
</table>

**NON-ACUTE CARE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Home Care Admissions</th>
<th>Outpatient Visits</th>
<th>LT Care Days</th>
<th>Attributed &amp; Covered Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>97K</td>
<td>18.5M</td>
<td>1.1M</td>
<td>1.8M</td>
</tr>
<tr>
<td>2017</td>
<td>97K</td>
<td>19.6M</td>
<td>1.2M</td>
<td>1.9M</td>
</tr>
<tr>
<td>2018</td>
<td>95K</td>
<td>20.1M</td>
<td>1.1M</td>
<td>2.1M</td>
</tr>
</tbody>
</table>

*Case Mix Adjusted Equivalent Discharges*
Trinity Health Leadership System (THLS) run rate savings demonstrate effectiveness in improving our cost structure.
Excess of revenue over expenses totaled $902M

<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>FY18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income before other items</td>
<td>$401</td>
</tr>
<tr>
<td><strong>Non-recurring charges:</strong></td>
<td></td>
</tr>
<tr>
<td>Asset impairment charges</td>
<td>(264)</td>
</tr>
<tr>
<td><strong>Non-operating items:</strong></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>489</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated affiliates</td>
<td>328</td>
</tr>
<tr>
<td>Loss from early extinguishment of debt</td>
<td>(40)</td>
</tr>
<tr>
<td>Change in market value and cash payments of interest rate swaps</td>
<td>26</td>
</tr>
<tr>
<td>Non-controlling interest &amp; Other</td>
<td>(38)</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td><strong>$902</strong></td>
</tr>
</tbody>
</table>
Strong balance sheet and liquidity to support our people-centered strategy

Dina Richard
Senior Vice President, Treasury & Chief Investment Officer
Unrestricted cash grows to $8.9B

Cash ($ in Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$7.8</td>
<td>$8.4</td>
<td>$8.9</td>
</tr>
</tbody>
</table>

Days Cash on Hand

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>185</td>
<td>186</td>
<td>187</td>
</tr>
</tbody>
</table>

Debt To Capitalization Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>40%</td>
<td>37%</td>
<td>36%</td>
</tr>
</tbody>
</table>
Diversified Operating Investment Portfolio delivers strong performance for FY18

Annualized Performance
As of 6/30/2018

<table>
<thead>
<tr>
<th>Period</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>7.0%</td>
</tr>
<tr>
<td>3 Years</td>
<td>5.5%</td>
</tr>
<tr>
<td>5 Years</td>
<td>5.7%</td>
</tr>
<tr>
<td>7 Years</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Asset Allocation
As of 6/30/2018

- Global Equity: 46%
- Long/Short Equity: 9%
- Fixed Income: 25%
- Multi-Strat & Hedge Funds: 11%
- Cash: 5%
- Private: 4%

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Optimal debt mix to reduce risk

**Debt Mix***
As of 6/30/2018

- **75%** Fixed, tax-exempt and taxable
- **25%** Variable with high product diversification

*Includes 12 Direct Placements totaling $0.8 billion with maturities spread over 8 years. Excludes commercial paper totaling $100 million and other debt, unamortized debt issuance costs & net unamortized premiums totaling $599 million as of 6/30/2018. Also excludes the effects of interest rate swaps.

**Liquidity Facilities**
As of 6/30/2018

- Deep and well established relationships with lenders
- Well-diversified credit facilities with three tranches and tenors up to three years; 11 highly rated bank participants

*Variable $1.6B
Fixed $4.8B
Liquidity Facilities $1.1B*
Defined benefit pension plans significant increase in funded status to 91%

Pension Plan future benefit accruals are frozen. Trinity Health is focused on reducing pension exposure.

An increase in the discount rate of 10 bps decreases pension liabilities by ~$82M

Trinity Health made plan contributions of $184M during FY18

We utilize Liability Driven Investment (LDI) strategies to hedge volatility.

PBO Funded Status

<table>
<thead>
<tr>
<th></th>
<th>6/30/17</th>
<th>6/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Assets</td>
<td>$6,433</td>
<td>$6,533</td>
</tr>
<tr>
<td>Unfunded Liability</td>
<td>$1,280</td>
<td>$658</td>
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<table>
<thead>
<tr>
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<tr>
<td>83%</td>
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<tr>
<td>91%</td>
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</table>
We plan to access the capital markets in first quarter 2019

**Trinity Health anticipates accessing the capital markets in 1Q CY2019:**

- Historically favorable financing market continue to exist
- Current market environment continues to present favorable rate opportunities
- Ratings will be sought for new bonds in December 2018

**Amount of Issuance currently being assessed and anticipated to result in an offering of:**

- Up to $300M to reimburse RHM capital expenditures
- Refunding opportunities up to $80M continue to be evaluated and will be selected if cost savings justify
- Potentially refinance $150M of direct bank placements
Trinity Health remains focused on building our people-centered health system delivering:

• Operational excellence and results today
• Transformation of our clinical and business models
• The Triple Aim for the people we serve
• Mitigation of the social determinants of health for our communities
Operations Update

Mike Slubowski
President & Chief Operating Officer
Our operational focus is to deliver the Triple Aim for individuals, populations and communities.
Focused operational management resulted in a strong operating margin of 2.2% in FY18 and success on our Priority Strategic Aims

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*Case Mix Adjusted Equivalent Discharges
**Before Other Items
Our new clinical leadership framework creates Clinical Excellence Councils that are driving system-wide improvement.

<table>
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<th>NURSING</th>
<th>PHYSICIANS</th>
<th>CLINICALLY INTEGRATED NETWORKS</th>
<th>PHARMACY</th>
<th>PATIENT SAFETY</th>
<th>PATIENT EXPERIENCE</th>
<th>CLINICAL INFORMATICS</th>
<th>CLINICALLY DRIVEN SUPPLY CHAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Excellence Councils are led by a multi-disciplinary team composed of RHM representatives to define, design and implement clinical best practices and standards</td>
<td>Clinical Leadership Groups have clinical and operational expertise and accountability that span numerous clinical areas</td>
<td>Clinical Services Groups enable the work of care delivery that span multiple disease states and specialties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Councils and groups shown above are for illustrative/discussion purposes only.
We are currently building a people centered Integrated Care Coordination System that will differentiate Trinity Health.
Advanced Payment Models (APMs) provide the foundation of the Population Health Business Model

Category 1
Fee for Service – No Link to Quality & Value

Category 2
Fee for Service – Link to Quality & Value

Category 3
APMs built on – Fee-for-Service Architecture

Category 4
Population-Based Payment

We are participating in many APM arrangements with different levels of financial risks and rewards, covering 1.5M people and $9.1B in total cost of care.

We are naturally diversified on our path to transformation.
We have a very large BPCI program to provide APM support for our Episodic care improvement

- **30** Model 2 Bundled Payment for Care Improvement (BPCI) hospitals
- **8** Model 3 Skilled Nursing Facilities (SNF)
- **2** Comprehensive Joint Replacement (CJR) sites
- **Nearly $400M** total cost of care and **14,000** total annual episodes
Expanding **ACO** programs are the primary driver of alternative payment model growth

- ~**15K** physicians participating in our **18** Clinically Integrated Networks accountable for **1.5M** lives

MSSP Track 3 ACO  Next Gen ACO  MSSP Tracks 1 & 1+

Population Health Management
We have invested almost $127M to date and generated significant shared savings but better care coordination will further increase our savings

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18*</th>
<th>Cumulative Impact FY 14-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in ACOs, CINs - net</td>
<td>$17</td>
<td>$26</td>
<td>$40</td>
<td>$40</td>
<td>$58</td>
<td>$181</td>
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<tr>
<td>BPCI</td>
<td>--</td>
<td>$1</td>
<td>$15</td>
<td>$16</td>
<td>$13</td>
<td>$45</td>
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<tr>
<td><strong>TOTAL Investment in Population Health before Gainshare/loss</strong></td>
<td>$17</td>
<td>$27</td>
<td>$55</td>
<td>$56</td>
<td>$71</td>
<td>$226</td>
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<tr>
<td>Net Gainshare/loss</td>
<td>--</td>
<td>($4)</td>
<td>$5</td>
<td>$33</td>
<td>$65</td>
<td>$99</td>
</tr>
<tr>
<td>Net Result</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($127)</td>
</tr>
</tbody>
</table>

*Includes subsequent receipt of $12.4M of gainshare for CY17 for MSSP-3 Program
Community Health and Well-being (CHWB) effort targets decreasing impact of Social Determinants of Health (SDOH) for individuals and communities.

**Community Health & Well-being Key Dimensions**

**Clinical Services**
- Delivery of efficient and effective people-centered health care services
  - Safety Net
  - Reducing Disparities
  - Pharmaceutical Assistance Programs
  - Tobacco Cessation Interventions

**Community Engagement**
- Connecting the vulnerable and the poor to wrap-around services
  - Diabetes Prevention Program
  - Community Health Workers
  - Health Care for the Homeless

**Community Transformation**
- Policy, system and environmental change strategies to improve health
  - Transforming Communities Initiative (TCI)
  - Tobacco 21 Policy
  - Creating Built Environments
  - Breastfeeding Promotion
  - School Policies

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Community Engagement

OBESITY AIM: By 2020, obesity rates will decline faster than national average.

TOBACCO AIM: By 2020, smoking rates will decline faster than national average.

RHM Community Health Needs Assessment (CHNA) Identified Need

RHM Identified Social Determinants of Health to Be Addressed
Our operating model is structured to optimize regional performance and obtain effective scale effects.

Short List of High-Impact Priorities – Our “Priority Strategic Aims”

THREE-TIER FRAMEWORK

REFINED REGIONAL STRUCTURE

TRINITY HEALTH LEADERSHIP SYSTEM

A2 Reporting Matrix (A2 = Accountability and Authority)
We have adjusted these Priority Strategic Aims for FY19 to reflect new areas of emphasis in PC2020

- **Clinical Quality**
  - Reduction of Hospital Acquired Infections
  - Reduction of Unplanned 30-day Readmissions to Acute Inpatient TH Facilities

- **Patient Experience**
  - *Willingness to Recommend:*  • Acute Care  • Emergency Care
  - • Owned Physician Practice Groups CG-CAHPs

- **Community Health & Well-being**
  - • Tobacco Aim  • Obesity Aim
  - • Community Health Needs Assessment (CHNA)  • Social Determinants of Health

- **Care Coordination**

**Engaged Colleagues**
- • Colleague Engagement Score
- • Diversity and Inclusion Action Plans

**Operational Excellence**
- • Cost Per Case Mix Adjusted Equivalent Discharge (CMAED)
- • Epic Action Plan Milestones

**Leadership Nationally**
- • Number of New Patients

**Effective Stewardship**
- • Operating Margin
Three-tier operating framework clarifies and drives accountability

Operating TIER 1  Regional Health Ministry (RHM)-led

Operating TIER 2  System Leadership sets targets, establishes standard operating activities and holds RHMs accountable for results

Operating TIER 3  System-wide, unified services, shared services, standard work, standard platforms

Engagement

• Weekly CEO operational huddle teleconference
• Monthly operating reviews
• Bi-monthly face-to-face session with all CEOs
• Focused interventions-underperforming RHMs

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Trinity Health Leadership System engages and empowers every colleague in the organization to generate continuous improvement toward PSAs

Trinity Health Leadership System (THLS)
Objectives: Trinity Health Leadership System

Process Improvement Using Lean Management

- Visual Management
- Idea Generation
- Daily Huddles
- Using lean tools for process improvement/process redesign

Culture Transformation

- Engaging 133,000 colleagues in improving the care experience – every moment of every day – without waiting to be asked, or having to be told
THLS run rate savings demonstrate effectiveness in improving our cost structure

THLS Annual Run Rate Savings of $1.4B

- 2014-16: $595M
- 2017: $421M
- 2018: $406M
- Cumulative: $1.4B
“Unified Enterprise Administrative Services” is our next effort to re-engineer Administrative Services

- **Definition**: a thoughtful analysis and subsequent reorganization of Trinity Health's administrative functions. The overarching strategy of the system guides this work, ensuring functional activities are optimally engineered and located in the system (central, regional, local, virtual or outsourced) and directly support our mission and PSAs.

- **Targeted Savings**: $400M
- **Targeted Administrative Services**: in all sites – system office and ministries

<table>
<thead>
<tr>
<th>Mission</th>
<th>Community Health &amp; Well-being</th>
<th>Clinical Administration</th>
<th>Clinical Engineering</th>
<th>Clinical Integration</th>
<th>TIS</th>
<th>Legal</th>
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</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>Senior Administration</td>
<td>Medical Groups Administrative</td>
<td>Continuing Care Administrative</td>
<td>Revenue Excellence</td>
<td>Supply Chain</td>
<td>Insurance &amp; Risk</td>
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<tr>
<td>Finance</td>
<td>Organizational Integrity &amp; Audit</td>
<td>Performance Excellence</td>
<td>Philanthropy</td>
<td>Growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our goal is to simplify and streamline our clinical and revenue technology to enable efficiency and reduce variation.

**Current State**
- Significant Variation
- Potential disparity in care
- Inconsistent data quality
- Massive integration complexity for consumer engagement and population health
- Not realizing process or technology scale

**Future State**
- Improved patient experience and continuity of care
- More efficient for clinicians – ease of use, quality of documentation, and support for clinical decision-making
- Consistent care across the Ministry
- Simplified integration enables more effective consumer engagement

Unified Platform
We have chosen Epic as our single unified clinical and revenue platform

- People-centered care experiences
- Seamless integration among colleagues and clinicians
- Operational excellence across our Ministry
The Epic program has successfully launched and is progressing as planned and within budget.

Several milestones achieved since June:

- Epic program organizational and executive oversight structure is defined and implemented
- Regional Health Ministry (RHM) rollout schedule and sequence finalized and communicated
- Epic project leadership staffed in June, project team staffed in August (85% with internal colleagues)
- Epic project leadership and executive steering council implementation training completed
- High-priority, third-party contracts required with Epic negotiated by end of August
- Epic-provided monthly status reports on progress continue to be satisfactory with no escalations to date
The Epic program is being implemented differently using Epic-recommended methodology

- Program is **Clinically and Operationally led**
- Leveraging **Clinical and Revenue Excellence Councils** for standard workflow and content design decisions
- Paying careful attention to **people, process, and culture** in addition to technology
- Adopting Epic’s **foundational platform**
- Epic has developed project tracking metrics and tools that we will use to monitor program progress
  - Metrics and tools include:
    - Progress Reports
    - Budget Summary Reports
    - Risk Management Tracker
    - Task Management Tools
    - Enterprise Testing Dashboard
- Leveraging **lessons learned and best practices** from Epic clients who have been most successful at implementation (both clinical and revenue cycle)
Common platforms enabling our people-centered 2020 strategic plan
Our transformation path requires constant balancing of resources to drive successful operation, today, and building capabilities for tomorrow.

Effort needed to operate in today’s environment

Effort needed to build future capabilities
Financial Update:
Three Months Ended September 30, 2018

Ben Carter
Executive Vice President, Chief Financial Officer & Treasurer
Operating income for the first quarter increases 25% in FY19

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY18 Q1</th>
<th>FY19 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue ($ millions)</td>
<td>$4,409</td>
<td>$4,720</td>
</tr>
<tr>
<td>Operating Income ($ millions)*</td>
<td>$80</td>
<td>$100</td>
</tr>
<tr>
<td>Operating Cash Flow Margin*</td>
<td>7.9%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Operating Margin*</td>
<td>1.8%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Total Excess Revenue ($ millions)</td>
<td>$399</td>
<td>$420</td>
</tr>
<tr>
<td><strong>Balance Sheet Indicators</strong></td>
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<tr>
<td>Operating Cash ($ millions)</td>
<td>$8,493</td>
<td>$8,943</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>190</td>
<td>187</td>
</tr>
<tr>
<td>Cash to Debt</td>
<td>129%</td>
<td>127%</td>
</tr>
<tr>
<td><strong>Volume Indicators</strong></td>
<td></td>
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<tr>
<td>Case Mix Adjusted Equivalent Discharges</td>
<td>494,000</td>
<td>531,000</td>
</tr>
<tr>
<td>Discharges and Observation</td>
<td>178,000</td>
<td>182,000</td>
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<tr>
<td>Outpatient Visits</td>
<td>4,812,000</td>
<td>5,079,000</td>
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<tr>
<td>Attributed and Covered Lives</td>
<td>1,939,000</td>
<td>2,142,000</td>
</tr>
<tr>
<td>Surgeries</td>
<td>99,000</td>
<td>102,000</td>
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<tr>
<td>ER Visits</td>
<td>598,000</td>
<td>603,000</td>
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<tr>
<td>Home Care Admissions</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Long-term Care Days</td>
<td>271,000</td>
<td>256,000</td>
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</tbody>
</table>

*Before Other Items
Operating margins continue to show steady improvement

*Before other items