The Partnership Model: Investing in Our Community

St. David’s HealthCare

C. David Huffstutler
President & CEO
Agenda

1. Overview of St. David’s HealthCare
2. Unique Business Model
3. Benefit to the Community
St. David’s HealthCare:

- 6 Acute Care Hospitals
- 6 Ambulatory Surgery Centers
- 4 Freestanding EDs
- 4 Urgent Care Centers
- 10 Outpatient Rehab Centers

Plus...

- 76 Physician Offices
- 6 Affiliated Hospitals in outlying areas
- Transfer Center serving a 180-mile radius
Our Mission:
To Provide Exceptional Care to Every Patient, Every Day with a Spirit of Warmth, Friendliness and Personal Pride

Our Goals:
- Exceptional Care
- Customer Loyalty
- Financial Strength

Our Values:
I ntegrity
C ompassion
A ccountability
R espect
E xcellence
Our Vision:

To be the Finest Care and Service Organization in the World
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Ownership

- Established in 1996
- Joint venture among the three entities
  - Two community health foundations
  - Largest private hospital operator in the world
- Community sensibility and local oversight of non-profit foundations
- Scale, purchasing power, operating rigor and management expertise of hospital operator
Members, including physicians and community, appointed by partners

Block voting: 50/50 — St. David’s Foundation (SDF) and HCA

Key decisions:
- Selection of the SDH CEO (hired by both partners; can be fired by either)
- Approval of annual operating and capital budgets
- Certain responsibilities delegated to other boards
  - Hospital Advisory Boards
  - Physician Practice Boards
  - Surgery Center Boards

Special Requirements
- SDF appoints Chair
- Must meet federal tax exemption requirements for a charitable hospital system
- Voluntarily meets/exceeds state charity care requirement
Flow of Funds

- SDH funds current operating and capital requirements
- Surplus earnings distributed in accordance with ownership percentages

Surplus Earnings from Operations

- HCA (58%)
- St. David's Foundation (41%)
- Georgetown Health Foundation (1%)

Operations
Shareholders
The Community

More than $50M to local community annually
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Financial Strength

- **Earnings ↑ by 175% since 2006**
  - CAGR = 13.5%
  - Earnings margin = 24.6%

- **Exceptional performance yields:**
  - Ability to recapitalize - without incurring debt or raising money from community
  - Opportunity to invest back into community
Investing in the Community

- More than $235M in community grants since formation of partnership in 1996
- Grant $↑ 733% since 2006
- Grants focused on:
  - Primary and specialty care
  - Behavioral health
  - Health and wellness
  - Dental care
  - Senior care
  - Health education and research

BENEFIT TO THE COMMUNITY

StDavid's Healthcare
Collaborating with 60+ Non-Profit Partners

**Healthy People**
Investing in Primary and Specialty Care

AIDS Services of Austin • Breast Cancer Resource Center • Cancer Connection • CoC • Community Health Centers of South Central Texas-Luling • Easter Seals-Central Texas • El Buen Samaritano • Health Alliance for Austin Musicians • Lone Star Circle of Care • Manos de Cristo Dental Clinic • People’s Community Clinic • SafePlace • Samaritan Health Ministries • Tandem Project • UT School of Nursing • Volunteer Healthcare Clinic

**Healthy Minds**
Supporting Behavioral Health Programs

Any Baby Can • Austin Child Guidance Center • Austin Recovery • Bluebonnet Trails Community Services • Center for Child Protection • CoC • CommuniCare - Kyle • Communities In Schools of Central Texas • El Buen Samaritano • Family Crisis Center • Foundation Communities • Hays-Caldwell Women’s Center • Hope Alliance • Interagency Support Council of East Williamson County • LifeWorks • Lone Star Circle of Care • People’s Community Clinic • SafePlace • Samaritan Counseling Center • SIMS Foundation • Waterloo Counseling

**Healthy Aging**
Serving Aging Populations

AGE of Central Texas • Area Agency on Aging • Austin Speech Labs • Capital Area Food Bank of Texas • The Care Communities • Capital City Village • Faith in Action Caregivers • Family Eldercare • Helping the Aging, Needy and Disabled • Hospice Austin • Meals on Wheels and More • Texas Ramp Project • Round Rock Area Serving Center • Williamson-Burnet County Opportunities

**Healthy Smiles**
Mobilizing the St. David’s Dental Program

Austin ISD • Del Valle ISD • Hays Consolidated ISD • Manor ISD • Pflugerville ISD • Round Rock ISD • Capital Area Dental Foundation • Children’s Wellness Center – Del Valle • El Buen Samaritano • People’s Community Clinic • Volunteer Health Clinic

**Healthy Living**
Promoting Health and Wellness

Boys & Girls Clubs of the Austin Area • Marathon Kids • Sustainable Food Center • Trail Foundation • YMCA (MEND program)

**Healthy Futures**
Advancing Health Education and Research

Capital IDEA • Public Health Troops • Texas Higher Education Coordinating Board • Texas State University School of Nursing • UT School of Nursing • UT School of Social Work
**In Summary**

**The St. David's HealthCare Partnership:**  |  **Since 1996:**
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• Does not raise funds *from* the community; distributes funds *to* the community  |  $235 million in community grants
• Provides indigent care  |  $3.5 billion in uncompensated care
• Contributes to regional economy  |  $221 million in state and local taxes
• Reinvests in hospital care without incurring debt  |  $1.4 billion in capital

$5.4 billion to the benefit of the community since formation of the partnership in 1996
Thank You