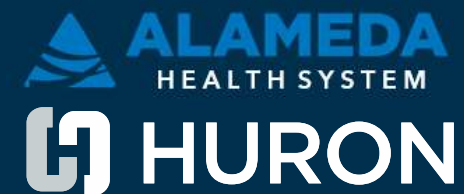


Strategic Planning Partner Selection Process

- The most recent Strategic Plan for the Alameda Health System was envisioned to extend through FY 2021
- Executive Leadership initiated a Request For Proposal (RFP) process with four highly reputable firms with extensive experience in this type of assessment and planning process
- The firms interviewed were Guidehouse, Kaufman Hall, Huron and Premier MDs
- The AHS CEO, COO and Board of Trustees Chair conducted interviews with each firm
- After assessing the proposed product, timelines and costs, the evaluation team felt unanimously that the Huron proposal was the best fit
- The alignment with the mission of AHS, the fact that they have a 'running start' given the work underway with the Building Excellence, Sustainability & Trust (BEST)
- Huron had the added benefit of being able to bring to the project the Innosight component of their organization



AHS Strategic Plan Development

October 29, 2021



huronconsultinggroup.com

Introductions



Leslie Grimmer
*Managing Director
Strategy Leader*



Martin McKittrick
*Senior Director
Engagement Lead*



Andy Waldeck
*Partner
Innosight® Leader*



KC Loder
*Assistant Partner
Innosight® Leader*



Shaun Cleary
*Managing Director
Client Service Executive*



Michael Gladson
*Managing Director
Leader*



Matthew Thompson
*Senior Director
Operational Leader*



Agenda

1. Statement of Understanding
2. Huron & Innosight Qualifications
3. Strategic Planning Approach and Methodology
 - Deliverables
 - Timeline
4. Q/A

1

Statement of Understanding



Statement of Understanding

AHS seeks to develop a three-to-five-year strategic plan which will support the following journey:

- Refresh and clarify the Mission, Vision and Pillars
- Enhance alignment between the board, leadership, and physicians, and staff
- Chart a course to Redesign, Reposition & Reimagine AHS
- Analyze & prioritize market opportunities for growth
- Analyze & prioritize opportunities to optimize value delivered to the community
- Equip AHS to drive toward the following outcomes:
 - Clinical, Cultural & Operational Excellence
 - High Reliability Organization
 - Financial Stability
 - Growth and Retention of Key Patient Volumes

2

Huron & Innosight
Qualifications



About Huron

Highlights

- Formed in 2002
- More than 3,800 full-time professionals
- 2020 revenue of \$844 million
- Headquartered in Chicago
- Publicly traded on NASDAQ
- Served more than 1,700 organizations and institutions in 2020



STRATEGY AND INNOVATION



CARE TRANSFORMATION



FINANCIAL AND OPERATIONAL EXCELLENCE



TECHNOLOGY AND ANALYTICS



LEADERSHIP EXCELLENCE



For **eight years in a row**, we have been recognized by the Human Rights Campaign Foundation for receiving a perfect score of 100 on the Corporate Equality Index and the designation as a “Best Place to Work for LGBTQ Equality.”



Best Firms to Work For
2011-2021
Consulting Magazine



Best Management Consulting Firms
2018, 2019, 2020
Forbes

A Global Footprint



Recent Huron Consulting Strategic Planning Initiatives for Major Urban Public Health Systems

- Harris Health System – Houston, TX
 - Update of entire strategic plan, including a comprehensive market assessment/needs study and a review of major inpatient facilities
 - Included an assessment of major clinical service lines with associated recommendations
 - Major recommendation included a new inpatient facility in new primary service area location
- Parkland Health & Hospital System – Dallas, TX
 - Strategic plan update with comprehensive market assessment and service line evaluation
 - Major focus on patient retention for key specialty services and Medicare population
- Hennepin Healthcare – Minneapolis, MN
 - Major opportunity assessment that included strategic focus, clinical service line/programmatic assessment, supply chain, revenue cycle and clinical operations

We empower forward-thinking organizations to navigate disruptive change and **OWN THE FUTURE**

We are the strategy and innovation practice of Huron Consulting. As the leading experts on disruptive innovation and strategic transformation, we help global organizations develop insights into tomorrow's customers, align around a shared vision of the future and the opportunities ahead, and build the **organizational momentum to transform and grow.**




OUR EXPERTISE



- Transformation
- Strategy
- Innovation & Customer Experience
- Accelerate & Scale New Businesses
- Culture & Change Management

OUR APPROACH

-  **Customer at the center**
– unique Jobs to Be Done
-  **Future oriented**
of the world, the customer & future jobs
-  **Emergent strategy**
-  **Dual transformation**
-  **Work collaboratively with you**

OUR THOUGHT LEADERSHIP

Strategy: How we do it

Guiding Principles

Take a **Future-back approach**

versus a present-forward approach, to prevent defaulting to business as usual -- and to uncover new categories of growth.



Establish a clear **“View of the World”**

defined around critical assumptions, to establish a common view and create structure to navigate uncertainty.



Bring a **“Create the New”**

mindset and capabilities to successfully execute strategy and gain traction.

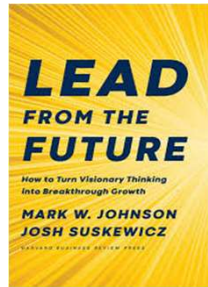


Take a **Wider Lens**

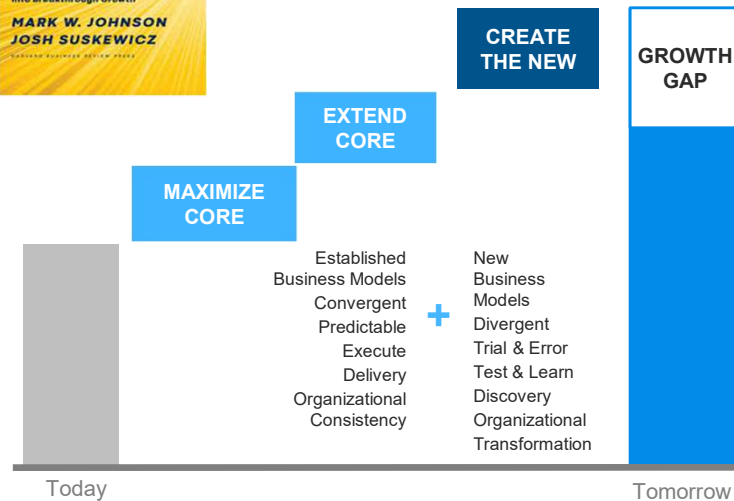
to find big opportunities; look broadly at trends, think expansively about ecosystem dynamics, and anchor in future stakeholder jobs to be done.



Our Approach



Our future back approach to strategy links aspiration and strategic opportunity areas to a portfolio of actionable initiatives. Unlike conventional strategic planning, future back employs a 5+ year time horizon and “walks back” from a future vision to activate the strategy, design and implement the right management system, and investor communications.



1. Define **growth aspirations**
2. Envision the **future environment** and implications
3. Align on the company's **future state**
4. “Walk back” and **roadmap**
5. Design **management systems**

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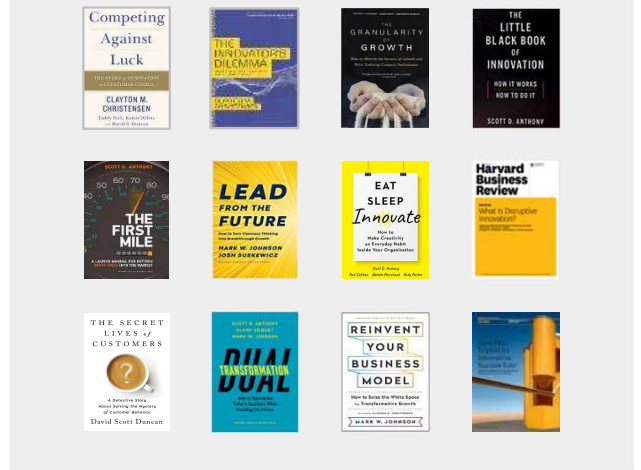
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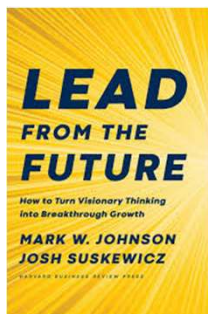
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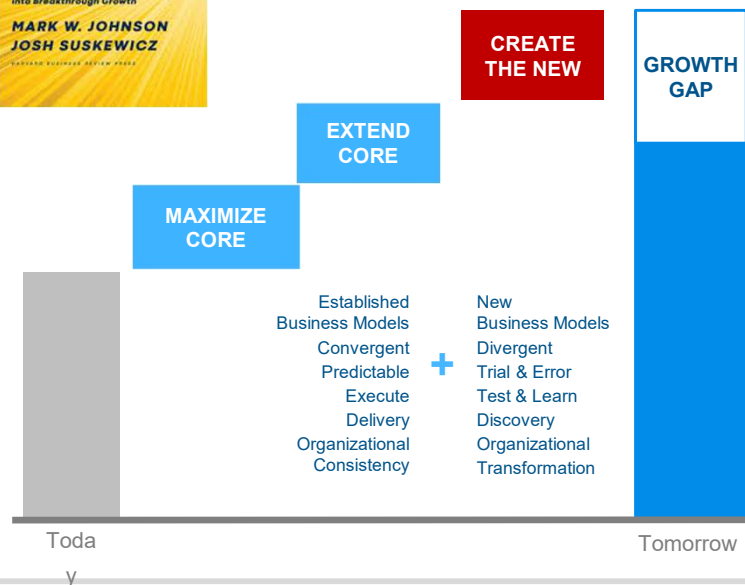
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An example of some of our large-scale strategic efforts

Top Regional Payor

Top Regional Provider

How can we build an integrated community model while strengthening AMCs with M&A?

FROM a separate, fragmented, competitive health delivery system and health services company

TO an integrated community health system with world class assets across the care spectrum

"Innosight negotiated a challenging set of discussions between parties with skill and ease. Instead of simply driving a standard strategy or M&A approach, they architected a collaborative process that truly brought [the parties] together"

– Confidential, Chief Executive Officer





How do we migrate from a wholesale to a retail business model?

FROM a leading payer helping institutions & individuals access care & manage healthcare costs

TO a consumer-centric entity focused on making a healthier world

"Innosight created a framework for us about how to organize, to manage, to govern the change. It's refreshing to work with people who can not only push us further but can even challenge our own thinking, and we're better for it."

– Mark Bertolini, Chairman & CEO, Aetna



National Delivery System

How do we develop a future strategy that allows us to become a leading system in the U.S.?

FROM a leading traditional provider system with transactional relationships with consumers...

TO a holistic health organization that develops deep lifetime relationships with both individuals & communities

"Innosight brought my large leadership team on a journey that allowed us to coalesce around a view of the future and how we will thrive in it."

– Confidential, Chief Strategy Officer



Characteristics of Huron's Strategy Practice



Breakthrough innovation expertise and industry-leading strategy and operational solutions



Inclusive, dialogue-based approach that identifies diverse constituents and builds leadership alignment from the staff level up



Principles and unique points of view on where to focus strategy and what matters most



Humble, collaborative style that creates a distinctive client experience

We Know Alameda Health System

Huron understands AHS current state:

- Organizational maturity models completed for Medical Group, System of Care, Labor Systems, Culture, Revenue & Organizational Design
- Market Knowledge: Kaiser, Sutter, UCSF
- AHS-Specific payer & volumes
- Industry trends & developments
- Relationships with majority of the leadership team
- Completed many key interviews already
- Officed onsite at Highland

3

Strategic Planning Approach & Methodology



Our Approach

<i>Understand Future Environment</i>	<i>Define Future Ambition</i>	<i>Analyze and Prioritize Strategic Options</i>	<i>Align and Organize for Implementation</i>
<ul style="list-style-type: none"> • Assess industry trends and local market dynamics to develop an aligned view of the world • Understand historical strengths and challenges of AHS's delivery model • Develop implications of view of the world on AHS's ability to succeed in the future • Determine pace and magnitude of change required and current degree of readiness 	<ul style="list-style-type: none"> • Define who AHS wants to be in the future, including market positioning, sources of differentiation, and role in community • Define size and scope of AHS's strategic and financial growth ambition • Determine implications of ambition on strategic priorities (what to start, stop, or accelerate) • Identify organizational blockers and capability gaps to overcome 	<ul style="list-style-type: none"> • Develop strategic options to achieve AHS's aspirations • Prioritize options based on their strategic attractiveness and financial value • Assess current assets and capabilities and identify key gaps • Estimate investments needed to close gaps, including organizational commitment and leadership bandwidth 	<ul style="list-style-type: none"> • Develop near-term and longer-term roadmaps with key activities and milestones • Identify key risks and assumptions to validate in the near-term • Determine owners and change agents for implementation • Develop implications on operating model and governance • Share communication and stakeholder alignment considerations
<i>What is the future?</i>	<i>Who Should We Be?</i>	<i>How Do We Get There?</i>	<i>Get There!</i>



Key Questions for Consideration

1. What does future success look like for AHS?
2. What mission-driven considerations represent “non-negotiables” in any planning effort?
3. How does AHS’ ongoing diversity, equity, and inclusion effort align with the strategic plan?
4. What is AHS’ current “brand” in the market?
5. What are the most pressing healthcare needs of the AHS community over the next five years?
6. How is AHS currently positioned to meet these evolving healthcare needs? What is the size and shape of the gap?
7. Where are patients within the AHS service area currently receiving healthcare services, particularly specialty care?
8. What are key areas of strength and opportunity for AHS (clinically, operationally and financially)?
9. What clinical service lines and programs should be expanded, which should be maintained, consolidated, exited, and which represent partnership opportunities?
10. What are the macro-level recruitment, space, capital equipment and financial considerations associated with any service line or programmatic expansion or partnership?
11. How should AHS go about implementing the new strategic plan?

Future Back is an approach to strategic planning designed to unlock breakthrough growth



CONVENTIONAL STRATEGY APPROACH

Strategy *extrapolated from present* market view and current capabilities

- Generally, a 1-3 year plan based on current trends and performance of the existing markets and ecosystems
- Heavily financially oriented and past data-driven; typically extrapolated from existing models and today's market segments
- Assumes market dynamics are more stable than they actually are
- Bias toward small, incremental changes to what already exists in mature markets, often missing or underfunding the emergent opportunities

STRATEGY FOCUSED ON EXISTING CATEGORIES OF GROWTH



FUTURE BACK STRATEGY APPROACH

Strategy *based on defining tomorrow*, and orienting planning around it

- Generally, a 10+ year plan based on insights into markets and ecosystems of tomorrow
- Facts & assumptions based, and outside-in oriented; grounded in tomorrow's jobs to be done and business models
- Provides high-level strategic direction while leaving room to experiment
- Aligns long-term strategy with near-term portfolio of core & new initiatives

STRATEGY UNCOVERS NEW GROWTH CATEGORIES AND PRIORITIES

Executive Dialogues throughout the strategic planning approach drive leadership alignment

KEY PRINCIPLES OF THE DIALOGUE APPROACH



Active, highly collaborative leadership involvement

- Directly engage key stakeholders on core strategic issues, ensuring accountability
- Develop knowledge and shared understanding
- Build senior leader alignment and commitment



Iterative process of diverging & converging

- Simplify complexity through focused discussion that uncovers assumptions
- Break paradoxes through spirited debate
- Iteratively explore issues and make decisions



Combination of “left brain” and “right brain” thinking

- Employ rigorous analytics to yield powerful insights in a structured process
- Leverage creative thinking to spot and develop opportunities












Three proposed Leadership Dialogues to address key questions in the course of the strategic planning process




	ALIGN ON THE FUTURE ASPIRATION FOR AHS	DESIGN THE SYSTEM OF THE FUTURE	PREPARE TO EXECUTE
OBJECTIVES	<ul style="list-style-type: none"> Align Board of Trustees and AHS leadership on the future competitive environment for AHS Define the true-north target, aspiration for the system, and role of AHS in the community Review the process, outcomes, and timeline for the strategic planning process 	<ul style="list-style-type: none"> Finalize the statement of strategic intent and role for AHS to play for key stakeholders Prioritize and align on strategic options for the system including growth and system repositioning strategies Discuss internal and external blockers to reaching the aspiration Discuss implications of prioritized strategic options 	<ul style="list-style-type: none"> Review output of the future scenarios analysis based on prioritized strategic option Discuss path forward, milestones, and roadmap including communication plan for broader AHS leadership
ATTENDEES	<ul style="list-style-type: none"> AHS Board of Trustees AHS C-suite Leadership Select operating/clinical leaders, physicians, and staff 	<ul style="list-style-type: none"> AHS C-suite Leadership Select operating/clinical leaders, physicians, and staff 	<ul style="list-style-type: none"> AHS Board of Trustees AHS C-suite Leadership Select operating/clinical leaders, physicians, and staff
OUTPUT	<ul style="list-style-type: none"> Alignment on key trends and direction of impact (e.g., headwinds vs. tailwinds) to form a view of the world for AHS Draft a statement of strategic intent and role for AHS to play for key stakeholders (consumers, caregivers, community) 	<ul style="list-style-type: none"> Refined statement of strategic intent and defined role for AHS Alignment on a set of strategic priorities for AHS to pursue Prioritized blockers and mitigation strategies Hypothesis implications for AHS 	<ul style="list-style-type: none"> Alignment on AHS strategy Refined roadmap and communication plan

Deliverables

- Deliverables will include:
 - Baseline assessment of system – strengths and challenges
 - Future trends analysis and aligned leadership view of the world
 - Implications of future environment on the system, including pace and magnitude of change required and current levels of readiness
 - System's future aspiration, including sources of differentiation and financial ambition
 - Strategic priorities with detailed build-out of preferred future scenario
 - Implications on strategic priorities, including what to start/stop/accelerate
 - Key organizational blockers and capability gaps that inhibit progress

Timeline

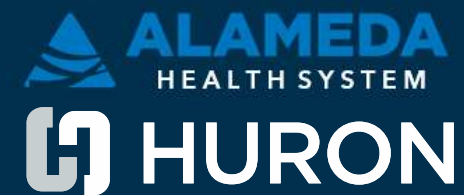
Month --->	Oct	November	December	January	February	March
Task	25-Oct	1-Nov 8-Nov 15-Nov 22-Nov 29-Nov	6-Dec 13-Dec 20-Dec 27-Dec	3-Jan 10-Jan 17-Jan 24-Jan 31-Jan	7-Feb 14-Feb 21-Feb 28-Feb	7-Mar 14-Mar
Phase I: Confirmation						
Conduct Kick-off Meeting						
Phase II: Understand Future Environment						
Assess industry trends and local market dynamics						
Understand historical strengths and challenges		 				
Develop implications of view of the world on AHS's ability to succeed in the future						
Determine pace and magnitude of change required and current degree of readiness						
Phase III: Define Future Ambition						
Define who AHS wants to be in the future						
Define size and scope growth ambition						
Determine implications of ambition on strategic priorities						
Identify organizational blockers and capability gaps						
Phase IV: Analyze and Prioritize Strategic Options						
Develop strategic options to achieve aspirations						
Prioritize options based on attractiveness and value						
Assess current assets and capabilities and identify key gaps						
Estimate investments needed to close gaps						
Phase V: Align and Organize for Implementation						
Develop near-term and longer-term roadmaps						
Identify key risks and assumptions to validate in the near-term						
Determine owners and change agents for implementation						
Develop implications on operating model and governance						
Share communication and stakeholder alignment considerations						 

-  Worksessions / Retreats - Board
-  Meetings / Worksessions - Senior Management
-  Meetings - Multiple Constituencies

4

Questions





Thank You



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