2023
Investor Day
November 9, 2023
Shaping the future of nursing to enable growth

Sammie Mosier
SVP and Chief Nurse Executive
Nursing is critical to the success of our organization

Advancing outcomes
- Quality
- Patient safety
- Patient experience

Enabling growth
- Service line growth
- Capacity expansion
- Physician alignment
- Operational excellence
As one of the largest employers of nurses in the country, we are committed to investing in our nurses and building a pipeline to capitalize on growing demand.

117,000+
Enterprise nurses

95,000+
Hospital nurses

2,100+
Ambulatory surgery nurses

9,000+
HealthTrust Workforce Solutions nurses

11,200
Nurse leaders

5,500+
Nurse externs

Numbers as of HR Insights July 2023
The national nursing shortage remains an industry challenge and was exacerbated by COVID-19

**Workforce**
- **100K+** Nurses left the workforce during '21-'22
- **6%** Projected RN job growth '22-'32

**Attrition**
- **20%** Nurses expected to retire within five years

**Education**
- **78K+** Qualified applications turned away from nursing programs in 2022
- **~0%** Annual growth in NCLEX test rates since 2019 (150,000 annually)

Sources: American Association of Colleges of Nursing, American Nurses Association: Nurses in the Workforce, & Bureau of Labor Statistics
Our momentum within our people agenda has countered labor challenges and allowed growth

Headcount

Hospital RNs

- Prior to COVID (Mar. 2020) 93,112
- Attrition -5,044
- RN headcount recovery 7,380
- Total RN headcount (as of July 2023) 95,448
- Additional care team growth (as of July 2023) 7,455

+2,336 Net gain since March 2020

Includes PCTs and nurse externs

Capacity

RN turnover
Nursing is a differentiator for HCA Healthcare; and we actively seek out and integrate our nurses’ voice into the Nursing Strategy
Nursing is a differentiator for HCA Healthcare; and we actively seek out and integrate our nurses’ voice into the Nursing Strategy

Advocacy and leadership

Staffing and care team support

Standards of care

Education and academic partnerships

Leadership development

Span of control

Retention
Nursing is a differentiator for HCA Healthcare; and we actively seek out and integrate our nurses’ voice into the Nursing Strategy.

- **Advocacy and leadership**
- **Staffing and care team support**
- **Standards of care**
- **Education and academic partnerships**

- Leadership development
- Span of control
- Retention
- Care models
- Workload efficiencies
- Technology
Nursing is a differentiator for HCA Healthcare; and we actively seek out and integrate our nurses’ voice into the Nursing Strategy.

- Advocacy and leadership
  - Leadership development
  - Span of control
  - Retention

- Staffing and care team support
  - Care models
  - Workload efficiencies
  - Technology

- Standards of care
  - Evidence-based practice
  - National designations
  - Research

- Education and academic partnerships
Nursing is a differentiator for HCA Healthcare; and we actively seek out and integrate our nurses’ voice into the Nursing Strategy.
Our education strategy is shaping the future of nursing and solving the labor shortage

Capacity
We are becoming the largest nursing educator and establishing a pipeline of future nurses.

Competency
We are developing confident and effective nurses to give our patients the care they deserve.

Connection
A career of a lifetime promotes retention and ensures a future pipeline of leaders.
Capacity – We are becoming the largest nursing educator and establishing a pipeline of future nurses

Projected Galen College of Nursing student enrollment growth since acquisition

- 5x

Projected Galen College of Nursing campus growth since acquisition

- 6x

- 2019: 5
- 2023: 20
- 2026: 30

Student enrollment and graduation projections from 2019 to 2026.
Galen College of Nursing is connecting with a more experienced, diverse population of students.

Galen student at-a-glance

- **32**
  - Average age

- **89%**
  - Female

- **61%**
  - Have dependents

- **54%**
  - Pell Grant eligible

- **58%**
  - Diverse

- **58%**
  - First generation college student

Mission-focused

Because when I was 16 sitting on the hospital bed pregnant, the nurse grabbed my hand and told me I could do anything.

Virginia
Galen nursing student
Competency

We are developing confident and effective nurses to give our patients the care they deserve.

**Support structure**

- **New nurse graduate**
- **HCA Healthcare Centers for Clinical Advancement**
  - 15
  - Existing
- **Nurse Residency program**
  - 14K+
  - New grad hiring target
- **Bedside support**
  - 1,000+
  - Educators
A career of a lifetime promotes retention and helps to ensure a future pipeline of leaders.

Nursing career pathways

1. Expert nurse
2. Nurse educator
3. Nurse leader
4. Galen College of Nursing faculty

HCA Healthcare nurse
Our nursing career pathways in motion

Heather Stafford
Chief Nursing Officer
TriStar Summit Medical Center

YTD internal placements
94% CNO hires
90% ACNO hires

Our nursing career pathways in motion
Shaping the future of nursing to enable growth

- **Capacity**: Establishing a pipeline of future nurses
- **Competency**: Developing confident and effective nurses
- **Connection**: Promoting a career of a lifetime
Graduate Medical Education

Meeting community needs, strengthening clinical outcomes, enabling growth

Dr. Michael Cuffe
EVP and Chief Clinical Officer
A component of our physician-focused strategy

Grow physician alignment and recruitment:

- **FOSTER** physician loyalty
- **ENSURE** workforce stability
- **GROW** physician pipeline
- **ENHANCE** quality care
- **EXPAND** service lines

STRATEGIC VALUE
Shared service centralization enables rapid growth

- Centralized GME expertise in key areas
- Scaled support services can reduce costs by 70% over decentralized support service models
- Quality of education and research is enhanced
Strategy to solve for U.S. physician/provider shortages and create capacity to grow

Key factors influencing the physician workforce:

**Expected U.S. population growth and aging**
- Population growth from 2019-2034 is 10.6%
- 42.4% increase in those 65 years and older

**Physician workforce**
- Large component of workforce is nearing retirement age
- Association of American Medical Colleges predicts substantial provider shortages by 2034, by region and specialty
- Limiting factor in new physician supply: GME residencies

**Physician supply**
- Nearly 1 in 2 physicians are 55 or older

**Healthcare demand**
- Regional economic and population growth, advances in technology, population aging and improved patient outcomes; all drive healthcare demand
Builds physician alignment today, and tomorrow

Leveraging the country’s largest GME program

Growth of GME residents and fellows

Valesco, and expansion of GME programs, enhance hospital-based medicine

GME at HCA Healthcare meeting demand by increasing physician supply

- 302 Programs
- 45 Specialties
- 72 Hospitals
- ~5K Research publications
- 5K+ Residents annually
- 1.6K+ Graduates annually

Hospitalist graduates
- 556 2015-2016
- 791 2023-2024

Anesthesiology
- 36 2015-2016
- 94 2023-2024

Psychiatry
- 47 2015-2016
- 89 2023-2024

Emergency medicine
- 140 2015-2016
- 247 2023-2024
Hospital-based physicians (HBP)

Opportunity in disruption

- Experience in managing other HBP specialties such as intensive care and pathology
- **GME is an enabler** to move from locally variable, to contracted and subsidized, to directly provided:
  - Deeper alignment to achieve improved clinical quality and efficiency through program performance-based consulting and benchmarking
  - Extend clinical presence
  - Grow to respond to HBP physician shortages
  - Enterprise value

Hospital-based specialties
- Anesthesia
- Emergency medicine
- Hospitalist
- Radiology
- Pathology
- Intensive care
Spotlight: HCA Healthcare Riverside (RCH)

Clinical and operational excellence attract top talent

As one of America’s 250 Best Hospitals (Healthgrades 2023), RCH offers highly competitive residency programs across various specialties, alongside its leading ER service speed and diversion times compared to competitive academic hospitals.

Medical Staff Additions (excluding APPs)

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1901
FOUNDED
as a community hospital to serve a growing population

IMPLEMENTED GME
focused initially on Internal Medicine and have since expanded to 9 core specialties

GROWTH AND SUCCESS
as a level 1 trauma center and innovative hybrid community/academic institution

2021
NATIONAL RECOGNITION
as a top 5% hospital for critical care and consistently delivering clinical quality (Healthgrades)

2023
Licensed Beds

0 200 400 600

Licensed Beds

+93 +78 +108 +99 +94 +149 +102 +121 +122

2021
Licensed Beds

+93 +78 +108 +99 +94 +149 +102 +121 +122

2023
Licensed Beds

0 200 400 600
Enhances clinical quality and outcomes

Teaching hospitals drive continuous improvements

Key factors that contribute to better outcomes include:

- **Teaching hospitals have more doctors** physically present in the hospital to directly support patient care.
- **Continuous review and oversight of patient care** is provided through the GME process.
- **Academic work ensures the latest advances** in diagnosis and treatment are leveraged.
Spotlight: HCA Florida Kendall Hospital

Evolution of a tertiary referral and teaching center

HCA Florida Kendall Hospital’s GME program is an enabler that attracted physicians, helped establish new service lines and brought world class care to the community.

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Medical staff additions (excluding APPs)

- +80 (2014)
- +88 (2015)
- +66 (2016)
- +54 (2017)
- +89 (2018)
- +102 (2019)
- +124 (2020)
- +133 (2021)

1973

FOUNDED as a community hospital to serve a growing population

2012

DEMAND GREW for higher level of services within the community

2014

IMPLEMENTED GME resulting in our ability to attract higher levels of specialty and sub-specialty physicians

2018

GROWTH AND SUCCESS as a level 1 trauma center and tertiary teaching institution
Summary

As a component of a comprehensive physician strategy, **GME at scale is a strategic asset that differentiates HCA Healthcare.**

- Attracts and aligns exceptional physicians, today and tomorrow
- Improves access to care
- Facilitates growth
- Supports a culture of patient safety and clinical quality
Leveraging talent to fuel growth

Jen Berres
SVP and Chief Human Resources Officer
From bedside to C-Suite, developing leaders who embrace our culture, grow our business and lead the industry.
Developing leaders at scale through the HCA Leadership Institute

- **24K** Total leaders
  - **1.3K** Corporate and C-suite executives
  - **10K** Directors
  - **12.7K** Managers and supervisors
From just-in-time learning to pipeline programs

**Just-in-time learning**
- Harvard Spark
- Harvard Manage Mentor

**In-role leadership development**
- Leadership Institute Academy
- Charge Nurse Leadership Certificate
- Leadership Essentials
- Advanced Nursing Leadership Program for ACNOs

**Executive development**
- Leadership Excellence Program
- Executive Transitions Program
- Chief Leadership Program for CNOs
- Physician Leadership Academy

**Pipeline programs**
- Executive Residency Program
- Executive Development Program (CNO, COO, CFO)
- Director Development Program (Emergency Services, Surgical Services, Critical Care, Case Mgmt)
Education  Experience  Exposure
Building leadership skills, robust pipelines and organizational capabilities
Building leadership skills

Lead and develop others

Drive execution and financial results

Service and quality excellence

Honor our mission and values

Attain and leverage strategic relationships

Communicate with impact

Effective decision making

The Director Development Program left me with more tools than I would’ve obtained in 20+ years on my own. It was an accelerated way to read, study and apply what is needed to be a good leader today. This program opened up the global picture of HCA Healthcare and why we do what we do. It has made my team and those I lead better simply by giving me the perspective to pass along to them.

- Director Development Program Associate
Building robust pipelines

In-role development and targeted pipeline programs have strengthened nursing talent and execution of the nursing agenda

- Advanced Nursing Leadership Program (ALP) for ACNOs
- Executive Development Program (EDP) for CNOs and other executives
- Chief Leadership Program for CNO’s for top talent CNOs

Investment in ACNO role has driven 31% improvement in CNO time-to-fill
Robust talent pipelines powered company reorganization without business disruption

**Highlights**

1. Group President → COO
2. Div. Presidents → Larger divisions
3. Div. Presidents → Group Presidents
4. CEOs → Larger Asset CEOs
1. Div. CMO → CEO
1. COO → CEO

*Highlights of Group/Division President and CEO transitions resulting directly from new org structure*
Creating organizational capabilities

Leadership Institute capstone projects are designed to reinforce learning and address business challenges.

Driving volume and operational efficiency

- Wes Ayres, COO North Suburban Medical Center, Continental Division

- ↑ 15% Surgical volume
- ↓ Turn over time by 5 minutes
- ↑ 25% Employee engagement
Growing our leaders

Jackie Van Blaricum
President,
Far West Division

EDP 2002
Assoc. Admin
COO, Overland Park
CEO, Research Medical Center
CEO, Riverside Community Hospital
President, Far West Division
Developing our leaders.
Delivering on our mission.
Growing our business.