July 6, 2015

Colleagues

As we have shared with you in the past, we have been working over the last ten months to understand our best options for alignment in order to: improve the quality of care, develop a viable economic system to support the ongoing growth and development of our clinical services, and to develop a more robust academic infrastructure for the future. To test the assumptions and projections of each option for clinical alignment requires a third-party assessment.

In May, we engaged with one of the leading healthcare firms in the country, Huron Consulting, to validate and recommend scenarios for various aspects of this partnership. Over the last two months, Huron Consulting has worked with Vidant Health and Brody School of Medicine stakeholders to examine both of our organizations and begin developing options for our future success and sustainability. To date, the team has completed a situational analysis of our respective organizations, including in-depth data analysis and over 60 interviews with stakeholders from Vident Health, the Brody School of Medicine, and the independent medical community. From this analysis, several themes have emerged that will be more fully explored in the remainder of the engagement:

- Plan to explore multiple models of future alignment, with pros/cons of each
- Ensure the missions of both organizations are recognized and fulfilled through proposed models
- Ensure proposed models are all sustainable under anticipated market conditions in the future
- Proposed models should be culturally appropriate, appealing to the communities we serve and stakeholders involved

Building upon this situational analysis, the next steps of the engagement will include:

- Creation and assessment of various models
- Review of funds flow for both organizations
- Forecasting future-state financial statements
- Selection of an optimal model and implementation plan

The engagement will continue to draw on the input and expertise of local stakeholders. A final report is due to both organizations at the end of September.

Thank you for your ongoing interest and support of this critical work for our organizations and eastern North Carolina. We will continue to provide periodic updates to you throughout the process.

Respectfully,

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