

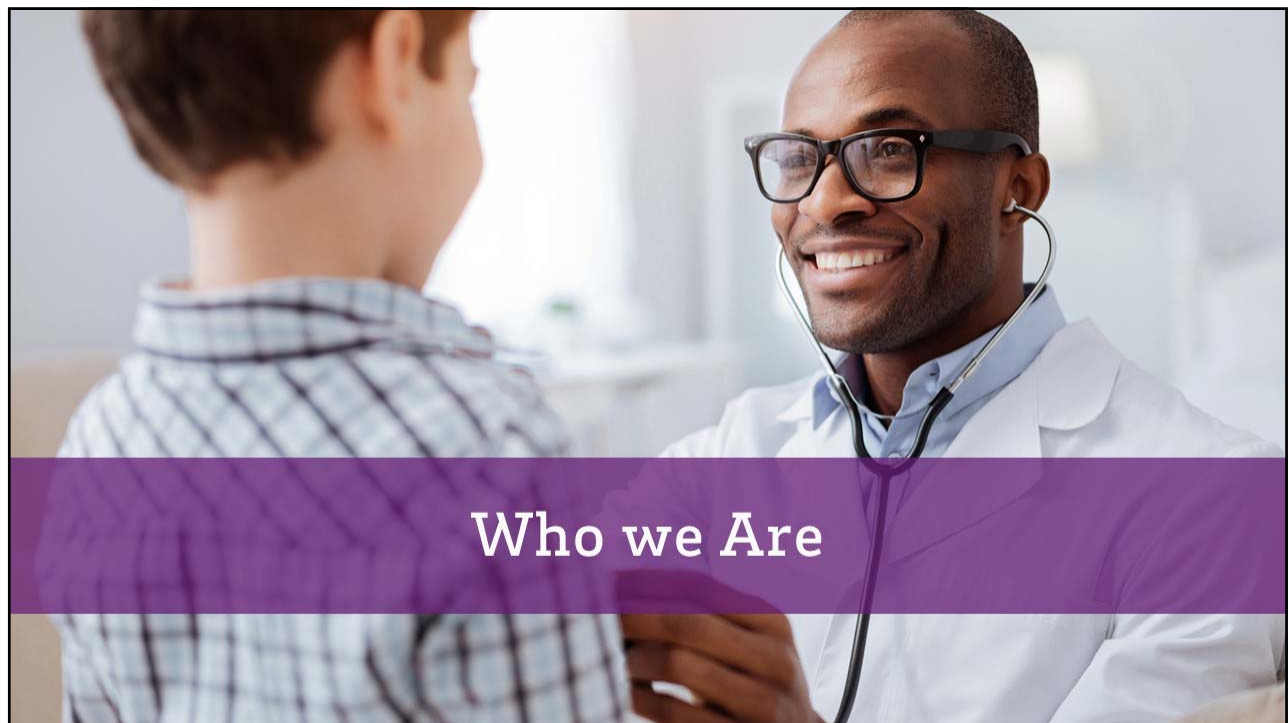
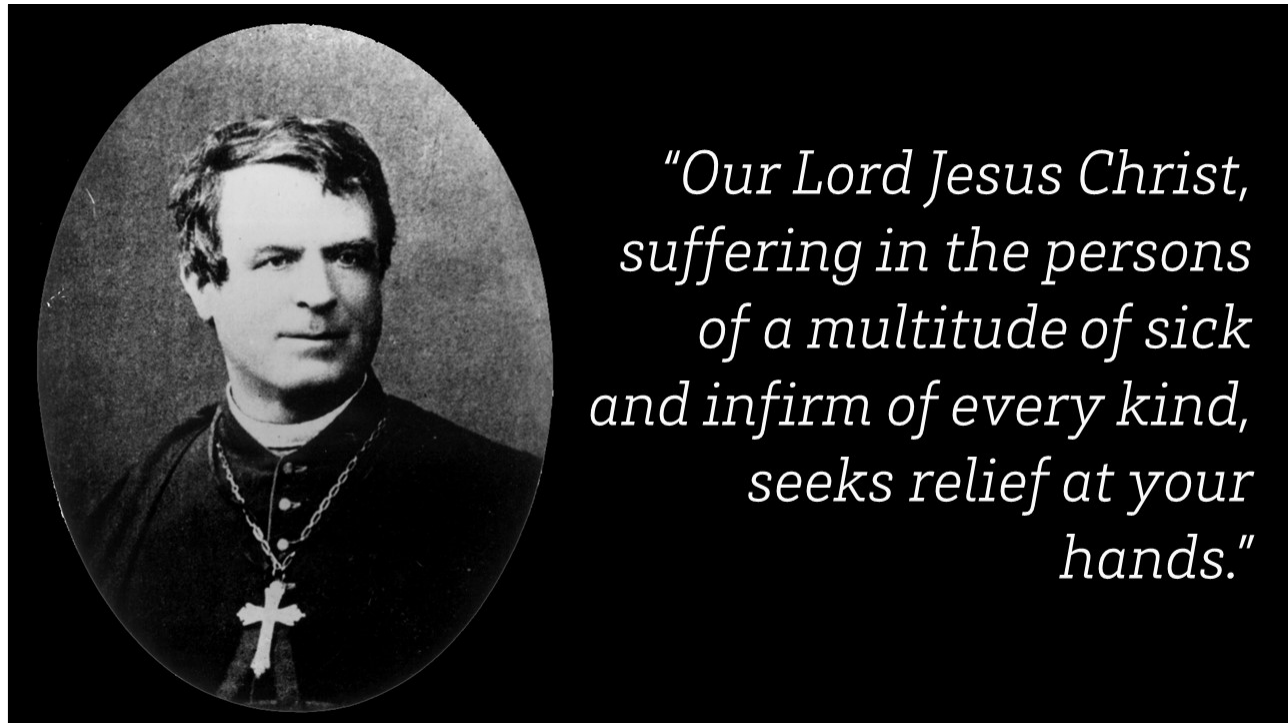


### Finding the Right Partner: Sponsorship Accelerates an International Strategy and Growth

*Ernie Sadau,  
President & CEO*

### First Double Lung Transplant in Mexico





**OUR MISSION**

*To extend the healing ministry of Jesus Christ.*

**OUR VISION**

CHRISTUS Health, a Catholic health ministry, will be a leader, a partner and an advocate in the creation of innovative health and wellness solutions that improve the lives of individuals and communities so that all may experience God's healing presence and love.

CHRISTUS consists of more than **600** centers, including long-term care facilities, community hospitals, walk-in clinics and health ministries. We serve the communities in **six** states in the United States, **seven** states in Mexico and throughout the countries of **Chile** and **Colombia** providing individualized care.

**CHRISTUS BY THE NUMBERS**

**150+**

CHRISTUS Health was founded and is sponsored by congregations of the Sisters of Charity of the Incarnate Word

HealthCare's **most wired**



**15,000** physicians on medical staffs

**60+** hospitals

**350+** clinics & outpatient centers

**\$7 Billion**

total assets under management

**6,000,000**

patient encounters in 2018

In the **top quartile** for patient safety measures

**45,000** Associates



**\$300,000,000+** in Community Benefit Annually



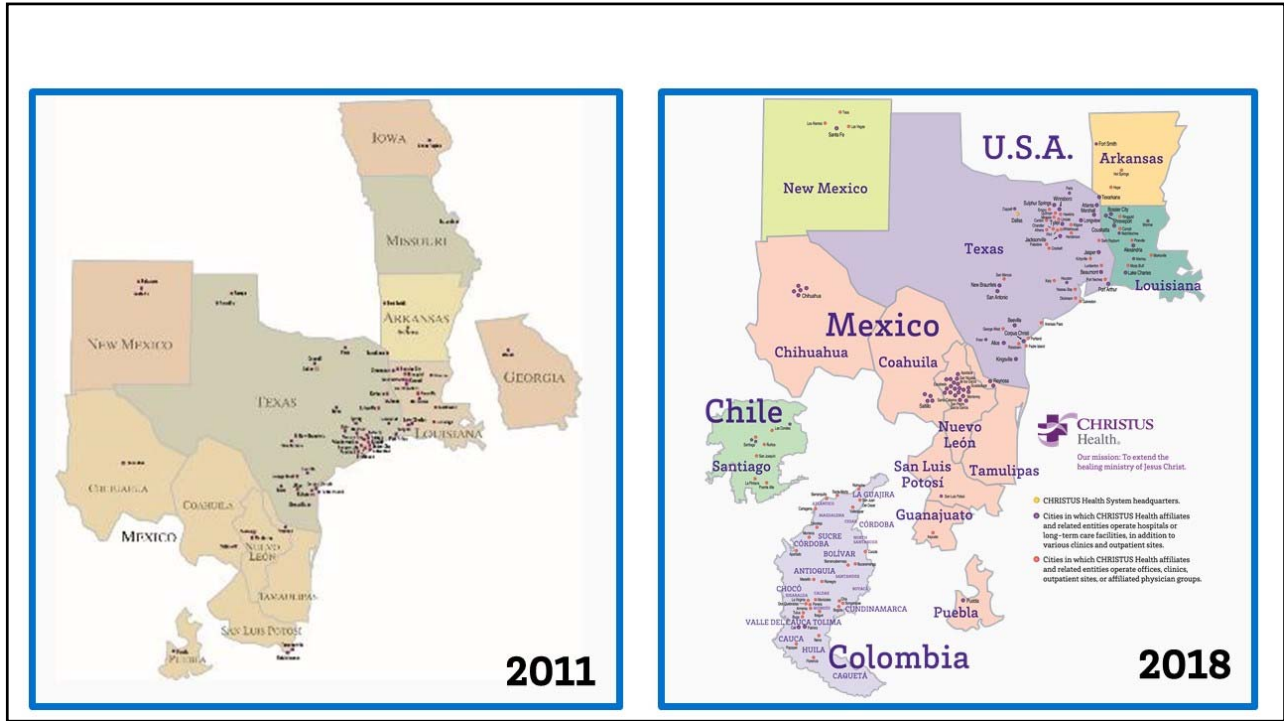
**4** Health Plan Products

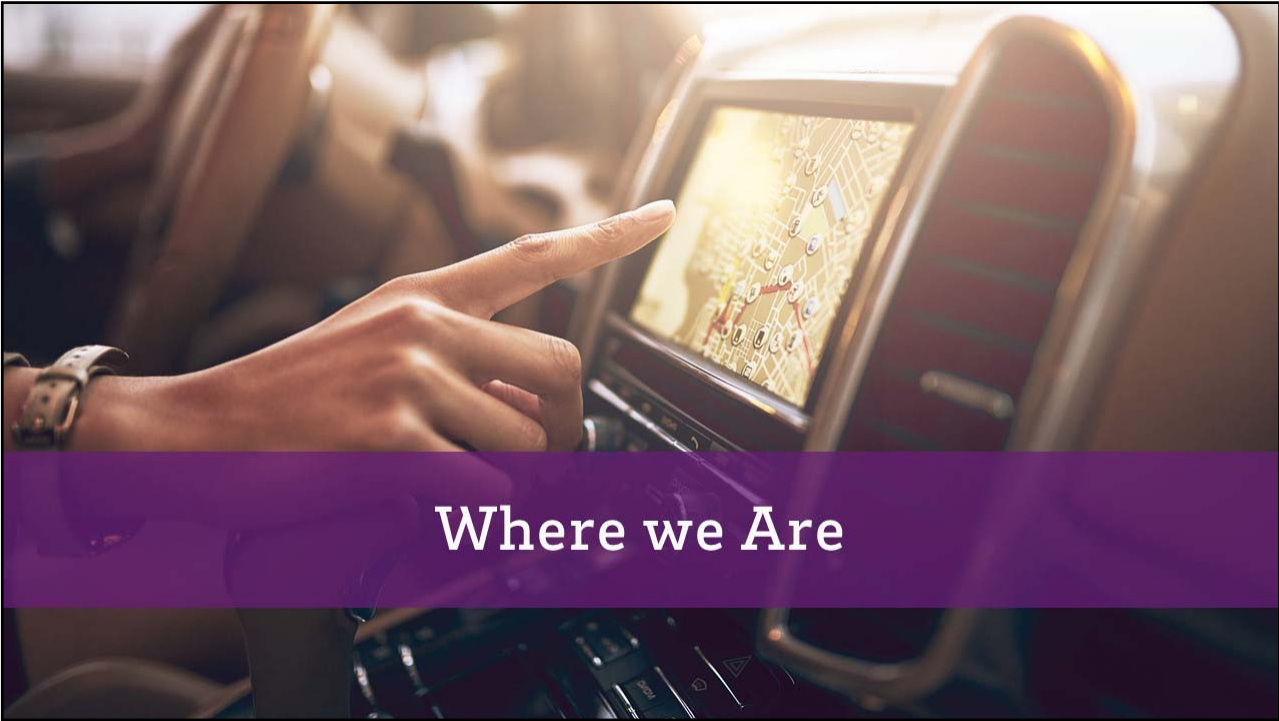
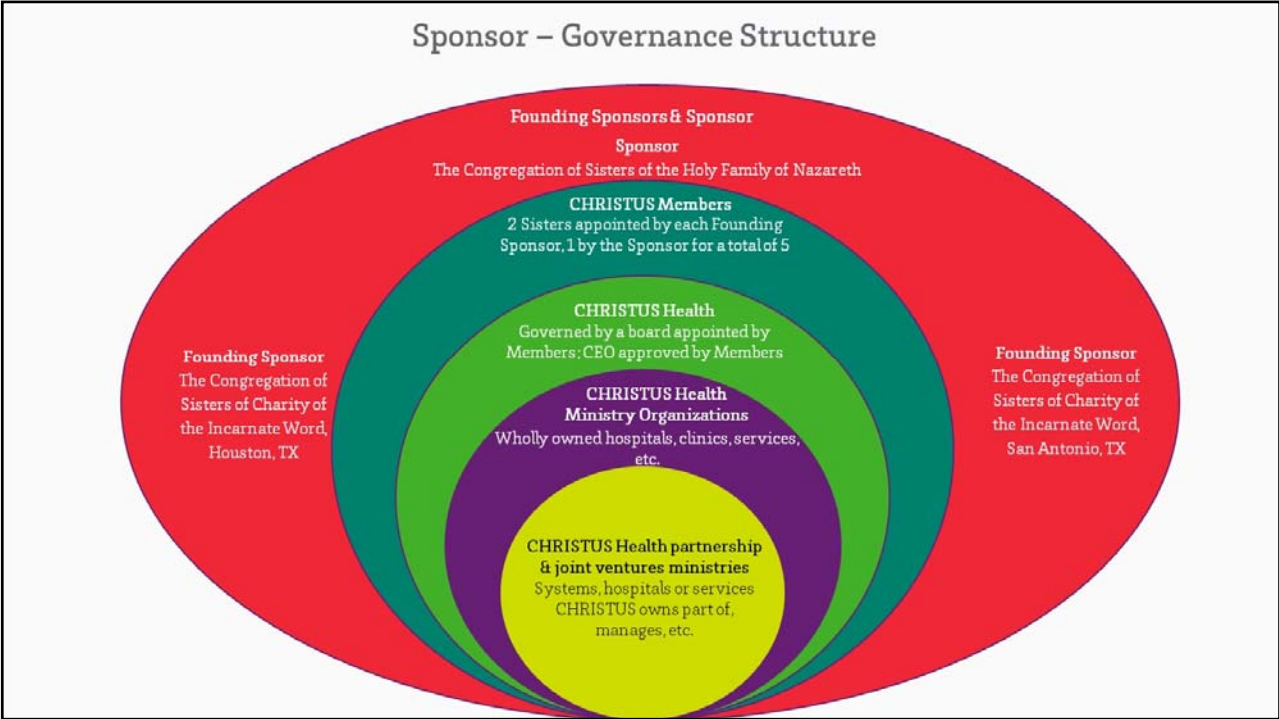
**6,500** Licensed Beds

2018 Outstanding Patient Experience Award









## Mexico CHRISTUS Mugerza



## Partnership with Mugerza Family



OUR MISSION "To Extend the Healing Ministry of Jesus Christ"

News and  
Information

### For Immediate Release

Contact: Linda McClung  
CHRISTUS Health  
(214) 492-8505

### *CHRISTUS Health Becomes Part Owner of Mexico Health System*

(Dallas – April 4, 2001) – CHRISTUS Health, a Dallas-based health care system with operations in five U.S. states, has today become half owner of Grupo Mugerza, S.A. de C.V., a two-hospital health care system based in Monterrey, Mexico.

The decision to pursue the expansion of services through an investment in the Mexico system was made by the CHRISTUS Health Board of Directors last December, to "enhance the CHRISTUS mission through an extension of our service area and provide opportunities to expand access to health care for residents of Northern Mexico, particularly the poor and under-served," according to Thomas C. Royer, M.D., president and CEO of CHRISTUS.

CHRISTUS Health has purchased approximately one-half stock in Grupo





# Fundación Adelaida Lafón





# Why Latin America

Furthering the Common Good



The image shows a woman with dark hair in a ponytail, wearing a black and white striped shirt, kissing a young child on the cheek. The child is wearing a white shirt with colorful stripes. They are in a bright, indoor setting with white walls and a window in the background.



# Partnership in Chile



**CHRISTUS Health**  
OUR MISSION "To Extend the Healing Ministry of Jesus Christ"  
 News and Information

**For Immediate Release**

Contact: Abby McNeil  
 CHRISTUS Health  
 (214) 492-8513  
 Abby.mcneil@christushealth.org

**CHRISTUS Health Chosen to Pursue Exclusive Negotiations with Large Health System in Chile**

(Dallas – Oct. 1, 2012) – CHRISTUS Health announced today that it has been chosen by Pontificia Universidad Católica de Chile (PUC) in Santiago, Chile as the sole finalist to pursue negotiations toward a definitive joint venture agreement for the ownership, operation and expansion of PUC's health network.

PUC is a top Chilean university owned by the Catholic Church, whose health network consists of two hospital campuses totaling approximately 600 beds, as well as 11 outpatient centers and a large laboratory and imaging services network, making it one of the largest health systems in Chile. In addition to providing medical services, this network is the main teaching campus of the University's medical school, recognized as the premier school for the training of medical professionals in Chile and one of the best in Latin America.

Over the next few months, CHRISTUS Health and PUC will complete due diligence and negotiations toward a definitive joint venture partnership agreement.

"We are honored to be chosen by PUC as the organization they will work with to form an exclusive partnership," said Ernie Sadau, president and CEO of CHRISTUS Health. "We believe that our international expansion will help us extend our mission around the world, meeting health care needs that are great and deeply felt in Latin America and complement our strong position in the U.S."

2012 – Finalist in negotiations



2013 – JV agreement

# Chile Red de Salud UC CHRISTUS



# Ancora Clinics



# Members of our Sponsoring Congregations in Chile in 2014





# Partnership in Colombia



**CHRISTUS Health**  
 For Immediate Release  
 Contact: Abby McNeil  
 CHRISTUS Health  
 (469) 282-2560  
 Abby.mcneil@christushealth.org

**CHRISTUS Health Announces LOI in Colombia**  
 (Dallas – November, 2014) – CHRISTUS Health recently announced that it has negotiated and signed a non-binding letter of intent (LOI) with **Cooameva Medicina Prepaganda S.A. (Cooameva)**.

Cooameva is a 50-year-old company based in Cali, Valle del Cauca, Colombia. It has assets of approximately \$5 billion and is made up of four divisions (health, banking, security and wellness/leisure). The LOI is between CHRISTUS Health and Cooameva's Health division, which is composed of three major subsidiaries:

- Cooameva EPS**, a health insurance company that contracts with the Colombian government. Colombia has almost universal coverage for its 47 million residents, 24 million of whom are covered under the EPS program. Of these 24 million, Cooameva covers 3 million.
- Cooameva Prepaid**, a health insurance company that contracts with individuals and employers to provide private insurance. Cooameva has 324,000 prepaid lives out of a total market of approximately 1 million.
- Sinergia**, a health care provider network that serves both Cooameva EPS and Cooameva Prepaid members, as well as many other EPS and prepaid insurance members. The health network includes two wholly-owned

**HOSPITAL REVIEW**

PROVIDING TRUSTED HEALTHCARE VALUATION AND TRANSACTION ADVISORY SERVICES

Print Issue E-Weeklies Conferences Webinars White Papers Multimedia Live

Physicians Leadership Executive Moves Transaction & Valuation Human Capital & Risk Patient Flow Facility Patient Engagement Pharmacy Population Health Legal & Regulatory Compensation Payors Opioids Rates

Hospital Transactions & Valuation Issues

Sponsored by VMG Health | info@vmghealth.com | 214.369.4888

**Christus Health to expand into Colombia**  
 December 16, 2015 | Print | Email

Dallas-based Christus Health has signed an agreement with Cooameva Cooperativa Medica in Colombia, under which Christus will assume partial ownership of several Cooameva subsidiaries.

Christus Health began discussions with Cooameva, based in Cali, Colombia, two years ago. Cooameva has

**CHA**  
 Catholic Health Association  
 News for U.S.A.

ARTICLE

**CHRISTUS Health acquires stake in Colombian conglomerate**  
 August 2015

CHRISTUS Health of Irving, Texas, has entered into a strategic partnership with the Colombian conglomerate Cooameva Cooperativa Medica and has assumed ownership of four Cooameva companies: CHRISTUS and Cooameva Prepaid in Cali, Colombia.

Under the agreement, CHRISTUS has an equal ownership stake with Cooameva Cooperativa in Sinergia, which includes a health care provider network, but which is not currently being actively managed. A third stake company and 50% ownership was held by Sinergia member members of Cooameva and other organizations. Health Review paid.

CHRISTUS acquired majority ownership of Cooameva EPS, a health insurance company that contracts with the Colombian government and Cooameva Medica. Cooameva Prepaid and Cooameva Sinergia are wholly owned and operated by Cooameva. Cooameva is a private group health insurance.

CHRISTUS is assuming partial ownership of Cooameva Cooperativa Administrativa, a Cooameva services and administrative company providing human resources, general accounting, payroll and other services to Cooameva. Cooameva Cooperativa Administrativa includes an information management company providing software for Cooameva.

CHRISTUS did not provide financial details of these investments.

This a CHRISTUS and partnership in Latin America. The U.S. Catholic Health system also has health care operations in Mexico and Chile.

Copyright © 2015 by the Catholic Health Association of the United States.  
 All rights reserved. No part of this publication may be reproduced without the written permission of the Catholic Health Association of the United States.

2014 – Letter of Intent

2015 – Memorandum of Understanding

2016 – Definitive agreements

# Colombia CHRISTUS Sinergia Salud





# 2017 - Rebranding



# New Population Health Service in Colombia



# Solidarity



# A Shared Heritage



U.S.  
System  
Headquarters

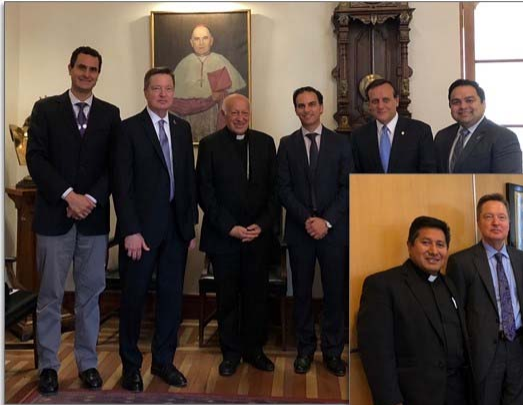


Chile





## Strengthening Catholic Health Care in Latin America



Chile



Colombia



Mexico

## Strengthening Catholic Health Care in Latin America



INSTITUCIÓN DE ALTA COMPLEJIDAD

- La Asuncion Hospital is one of the most recognized hospitals in the city of Barranquilla, Colombia.
- Founded 55 years ago by the Missionary Franciscan Sisters of Mary.
- High quality hospital but at the brink of bankruptcy due to liquidity issues.
- Initially, CHRISTUS added the hospital as part of our value network (Nexo Vital).
- Based on positive relationship development, the Sisters expressed interest in having CHRISTUS manage their operations and preserve their legacy.
- Signed a consulting agreement starting Jan. 1, 2019.
- Early example of how we can extend the healing ministry of Jesus Christ in Colombia in a mutually beneficial manner without large capital investments.





## Challenges of International Partnerships

### Recruiting Talent in Latin America



- Few higher education programs focused on health care
- Health care not considered a common career path
- Leaders move between industries fluidly
  
- Our solution: an international executive-in-residence program
  
- Our results: over the past two years, CHRISTUS has hired 16 international executives and provided them with customized plans, including 253 internal stakeholder meetings and 78 facility visits, to orient them to the business and culture.

## Price Transparency and Payment



### Price transparency

- Shopping and price comparison are not vague ideas in Latin America, they are reality
- In Latin America, we are legally required to quote the cost of a health care service to consumers
  - Consumers absolutely compare prices and shop around for the least expensive provider

### Payment

- Some governments in are inconsistent in their processing of payments, and issues affecting those governments on a large scale (like elections, passing budgets, etc.) can mean payments are delayed for long periods of time.



## Different Countries, Different Laws




- Chile
  - Passive euthanasia (refusing any medical treatment) is legal.
  - In 2018, legislation was introduced in the Senate to allow active euthanasia.
  - Abortion is legal in the following cases:
    - When the mother's life is at risk
    - When the fetus will not survive the pregnancy
    - During the first 12 weeks of pregnancy
    - In the case of rape
- Colombia
  - Euthanasia is a constitutional right.
  - Abortion is legal in the following cases:
    - When the mother's life is at risk
    - The existence of life-threatening fetal malformations
    - In the case of rape, non-consensual artificial insemination or incest



# Expansion in East Texas

Welcoming a new Sponsor



The slide features a white background with a purple header bar on the right containing the Christus Health logo. The text 'Welcoming a new Sponsor' is positioned in the top left. A vertical purple bar is located on the left side of the slide.



# CHRISTUS Trinity Mother Frances



- Finalized agreement in May of 2016.
- 6 acute care hospitals
- 8,835 Associates
- Integrated physician group, CHRISTUS Trinity Clinic
  - More than 600 physicians and advanced practice providers representing 36 specialties in 34 locations serving Northeast Texas across 41 counties
  - Winner of 2018 AMGA Acclaim Award

# Growth in East Texas



CHRISTUS Mother Frances Hospital – Sulphur Springs



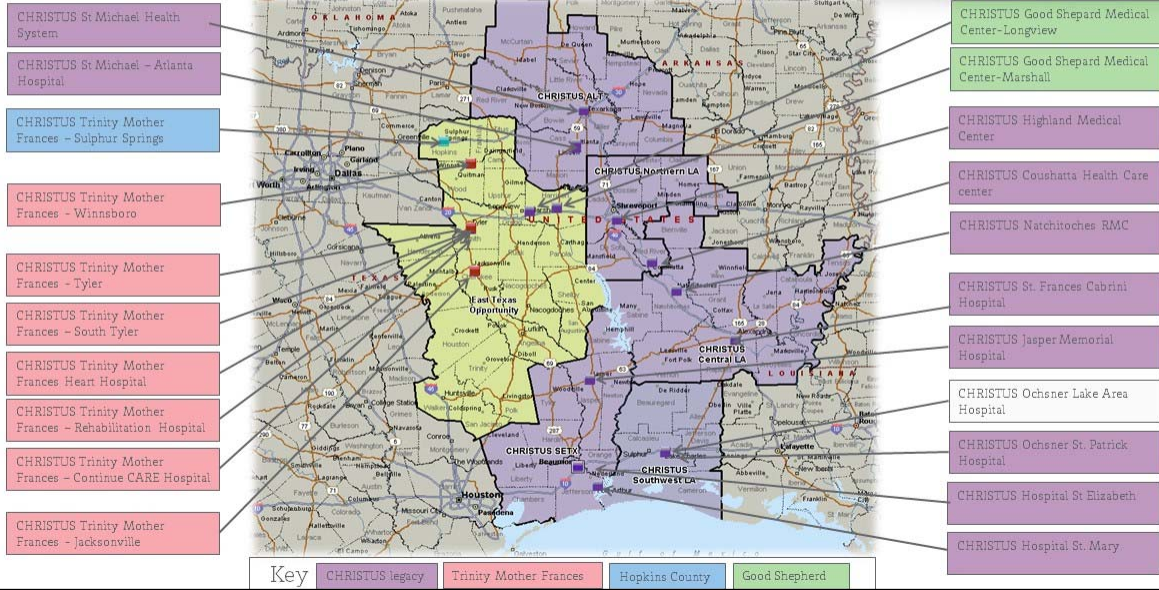
CHRISTUS St. Michael



CHRISTUS  
 Good  
 Shepherd  
 Medical  
 Center –  
 ← Marshall  
 → Longview



# Growth in East Texas and Beyond



Lessons Learned

## Sponsorship as a Differentiator



- Our sponsors are trusted whether or not they are known.
- Their participation in the leadership of our health system, as well as our decisions about new ventures, can set us apart.
- Our sponsoring congregations have been international entities since they were formed.
- Our sponsors call us to fully integrate our Latin American facilities and leaders, charging us to ensure formation integration in all areas, including Latin America.
- They always keep us focused on our founding call and reason for existence: to extend the healing ministry of Jesus Christ.

39

## Keys to Success



- Partnership model
  - Provide assistance navigating issues in new country or new areas of U.S.
  - Shared values
- Long-term orientation
  - Ten years between expansion into Mexico and into Chile
- Bi-directional learning, sharing best practices, operational improvement
- Involved, supportive sponsors
  - Actively support existing organization
  - Provide direction and accountability
  - Willing to step in with us and lead new ventures, acquisitions, etc.

40



# In the end, a new hope for life

