

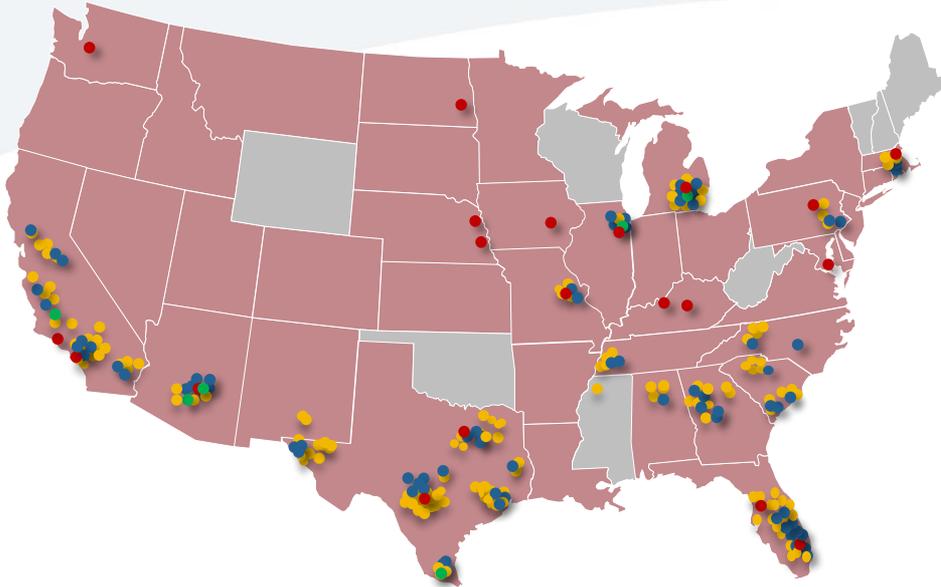


*Proposed Partnership Between
Waterbury Hospital
and
Tenet Healthcare Corporation*

Tenet – Who We Are

- Formed in 1976 as an investor-owned healthcare services company
- Restructured in 2002 and 2003 to address weaknesses that some of the intervenors have noted
 - *Tenet embraced a change in culture*
 - *Reconstituted its Board of Directors*
 - *Put in place new management team*
 - *Established new governance, compliance and operational best practices*
 - *Implemented measures to ensure transparency*

Tenet Healthcare Today



80 hospitals

105,000+
employees

198
outpatient facilities

23,000+ affiliated physicians

Nearly **12 million** annual patient encounters

12 accountable care organizations

6 health plans

About Northeast Region

Massachusetts

- MetroWest Framingham – **147 Beds**
- MetroWest Leonard Morse – **122 Beds**
 - Southboro Wellness Center
- Saint Vincent Hospital - **348 Beds**
 - Cancer & Wellness Center
 - Saint Vincent Physician Therapy Center



Philadelphia

- Hahnemann University Hospital – **496 Beds**
- St. Christopher's Hospital for Children – **189 Beds**



THOMSON REUTERS
100 TOP HOSPITALS 2012

TRUVEN HEALTH ANALYTICS
50 TOP CARDIOVASCULAR
2013



Northeast Region Distinctions

CyberKnife

Inoperable tumors: no incisions... no pain... no kidding.

Weiss Center for Integrative Medicine



very important patient
(the personal approach)



THE HEART OF EXPERTISE. 2 YEARS IN A ROW.

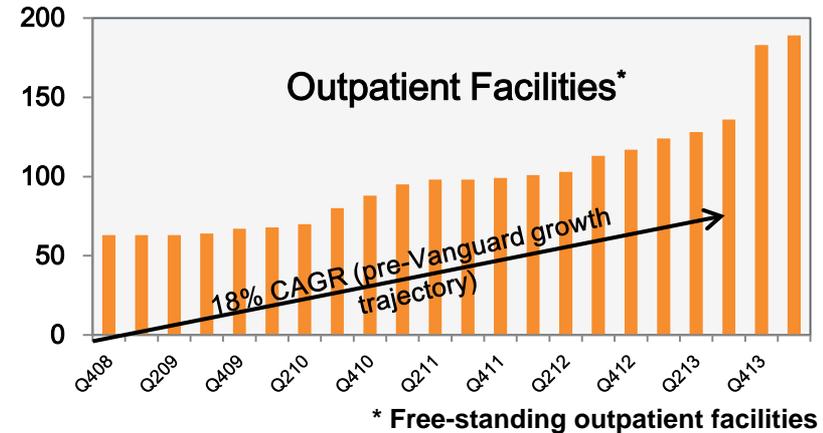


CHICAGO SPINE CENTER *at* WEISS



Successful History of Forming Partnerships

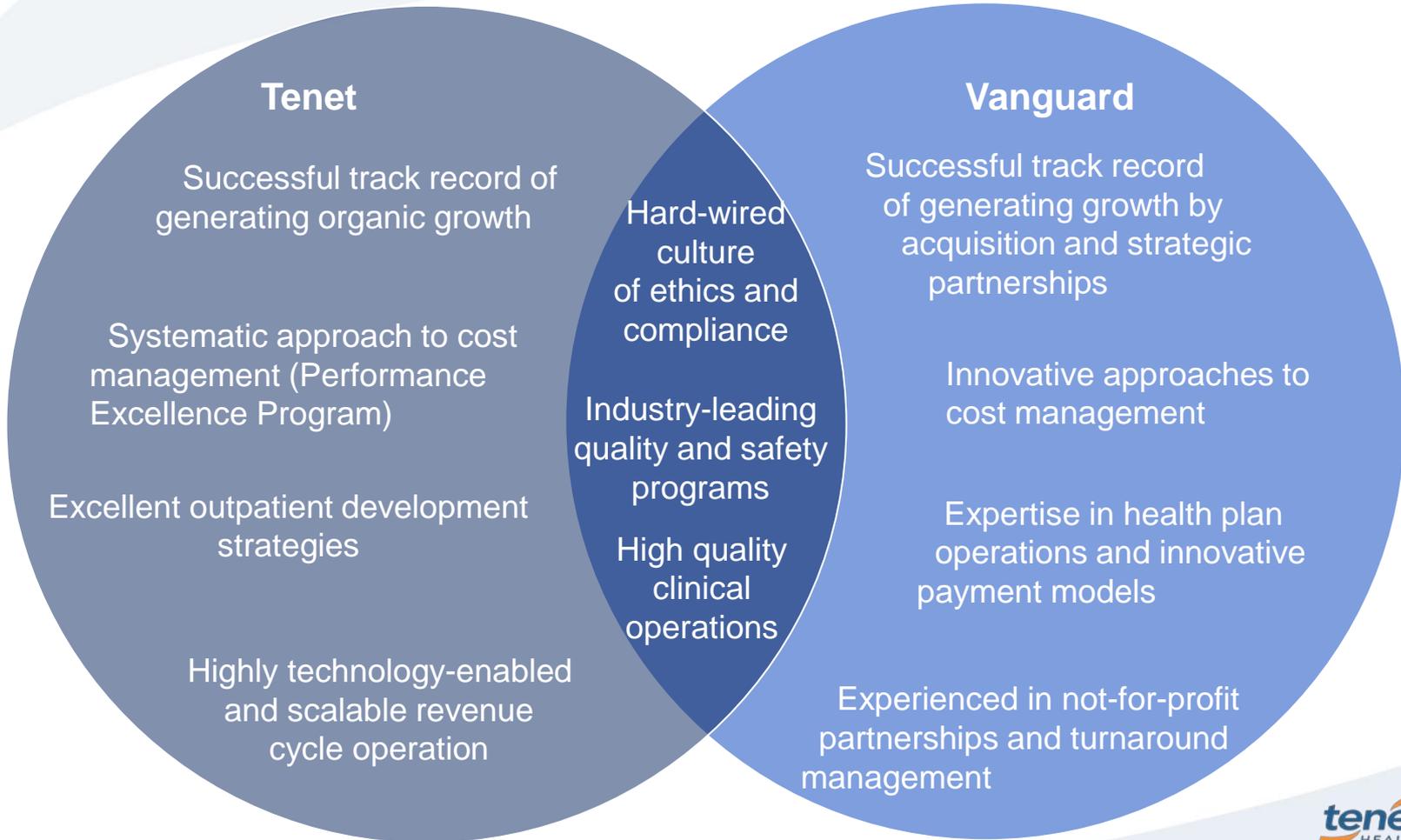
- Since 2008, Tenet has acquired or become affiliated with 30 acute care hospitals and more than tripled the number of outpatient centers.
- Tenet has demonstrated to regulators, health care providers, and community leaders that it is a company in which they can place their trust to meet the health care needs of every person located in their service area.



Tenet Facts

- Tenet is now the third largest healthcare service company in the country and a recognized leader among its peers.
- As a publicly traded company in a highly regulated industry, the company is subject to a **higher degree of scrutiny** in our business operations.
- We are proud of the fact that regulators at both the federal and state levels, investors, physicians, employees, owners, most importantly, partners have commended us for our performance.

Tenet – Vanguard: Complementary operational strengths and shared values



Tenet's Principles

We are united around a common mission – to help people live happier, healthier lives. As we seek to serve our patients, customers and communities – to provide an exceptional environment for our employees and affiliated physicians and an attractive return to our shareholders – *we are guided by five core values.* They are the reasons our patients and physicians choose us, and we seek relationships with those who share them.

Quality. Quality is at the core of everything we do and every decision we make.

Integrity. We manage our business with integrity and the highest ethical standards.

Service. We have a culture of service that values teamwork and focuses on the needs of others.

Innovation. We have a culture of innovation that creates new solutions for our patients, physicians and employees.

Transparency. We operate with transparency by measuring our results and sharing them with others.

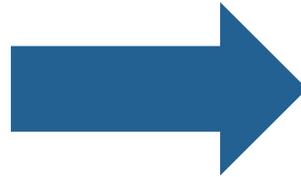
Tenet – Evolving Business Model Reflecting the Changing Environment

- Healthcare is changing as a result of Federal Mandates requiring innovation in Technology, Patient Outcomes, Cost Containment
- Moving from fee for service to fee for value requires whole person care thinking beyond the number of procedures and reimbursement codes

Current State

- Transactional care
- Volume driven
- Acute focus
- Fragmented delivery system
- Patients as passive recipients of care
- Volume incentive

Fee-for-service



Future State

- Population health management
- Continuum of care
- Bundled payments + Risk
- Integrated delivery systems
- Patient engagement
- Value incentive

Fee-for-value

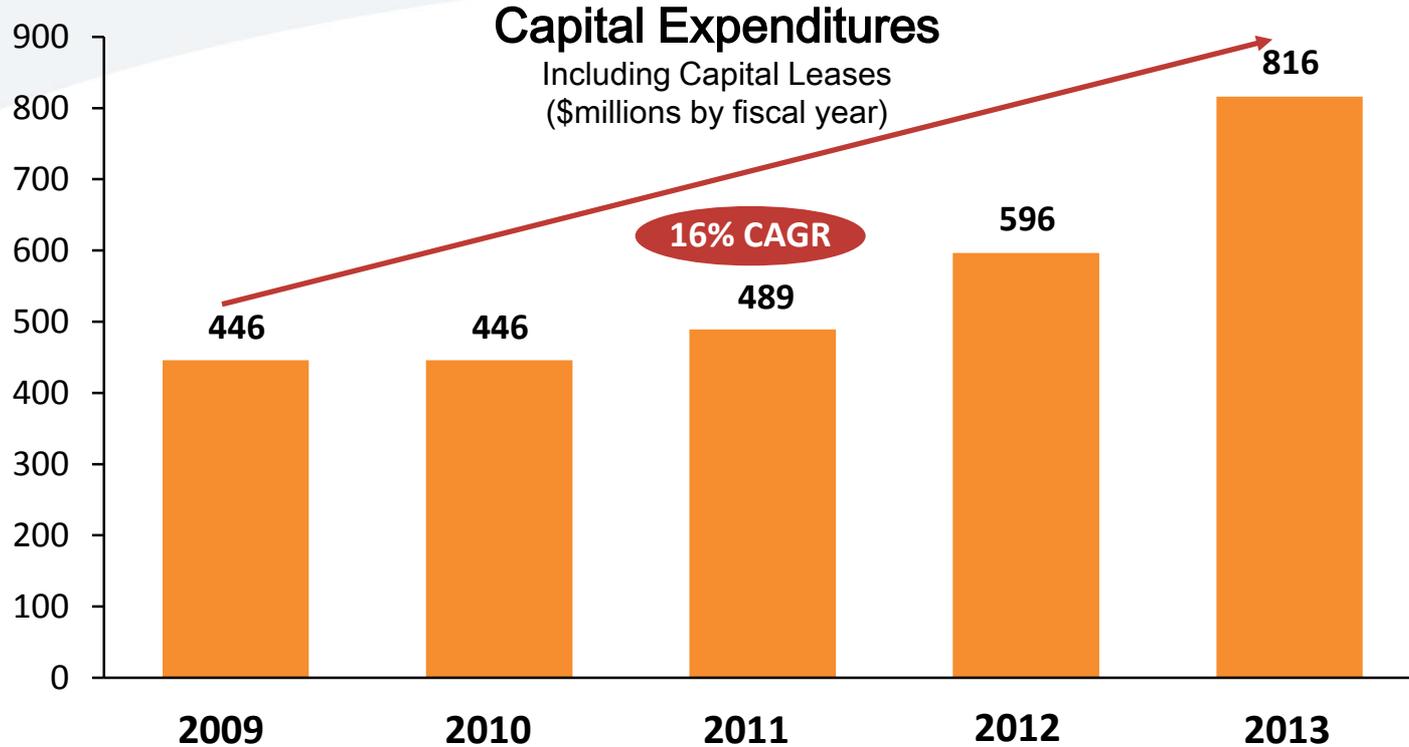
Tenet Business Model

Tenet is piloting and employing a variety of approaches to embrace the new environment:

- *Employ innovative care delivery methods*
 - *ACOs*
 - *Bundled payment*
 - *Risk assumption*
- *Attract best talent*
 - *Competitive compensation*
 - *Tenet Leadership Academy*
 - *Access to state of the art technology*
- *Implement efficiencies and economies of scale*
 - *Supply Chain via group purchasing organizations*
 - *Performance Management and Innovation Department*
 - *Clinical Care Councils*

This model requires capital resources and access to capital markets that Tenet can provide

Investing in Our Business



Healthcare is a local service, and hospitals are foundational community institutions. We provide our hospitals and related facilities with access to capital to ensure their service offerings meet the needs of their communities.

Connecticut Strategic Rationale

Positive
Demographics

Able to
Leverage
Regional
Infrastructure

Affiliation with
Yale New-Haven
Health System

Community
hospitals in need
of experienced
partner

Why Waterbury Hospital?

Hospital
provides full
range of
services

Excellent
employees and
medical staff

Good clinical
reputation

Strong patient
following

Our Due Diligence

Having an interest is one thing, making it a reality is another

- Studied Waterbury Hospital
- Consulted with members of the medical staff
- Consulted with the Mayor and local business leaders
- Consulted with community leaders
- Assessed the demographics
- Analyzed the numbers
- Decided we could help make a difference, and that it made sense for us to do so

Negotiated the Transaction Under Consideration

Contribution Agreement Operating Agreement Management Agreement Highlights

- *\$45 million purchase price*
- *80% interest in joint venture with GWHN*
- *Long term debt will be paid at closing*
- *Pension plan obligations will be satisfied per collective bargaining agreement*
- *Equal representation on the Board of Directors*
- *Board of Trustees comprised of physicians and local community leaders*
- *\$55 Million Capital Contribution*
 - *Additional \$30 million as part of the proposed transaction with St. Mary's Hospital*
- *Yale Participation*
 - *Strategic Alliance Agreement*

What We End Up With

Stronger Connecticut Hospital

- *Commitment to delivering the very best care*
 - *Tenet Quality Program*
 - *Clinical Councils*
- *No reduction in clinical services*
- *Plans for improvement and growth*
- *Improved medical staff recruitment*
- *Broader ambulatory services*
- *Investment in physical plant and equipment*
- *Increased physician collaboration and alignment*
- *Improved discharge care coordination*

What We End Up With

Commitment to efficiency and controlling costs

- *Implementation of best practices*
 - *error prevention training*
 - *detection of safety threats*
- *Control costs through volume purchasing and improved technology*
- *Strong workforce*

Commitment to the community

- *Charity care policy*
- *Corporate Citizen*
- *Compliance Program*

Conclusion

- Tenet is proud of who we are and what we do
- Tenet knows how to provide high-quality care at reasonable cost
- Tenet has financial strength and experience in operating hospitals
- Tenet will bring its experience and best practices to Waterbury Hospital and will make it an even better institution
- Tenet is committed to Connecticut