

Transforming the Future of Health Care: Cone Health + Sentara

Questions & Answers

Updated 4-29-2021

The Affiliation

1. What is being announced?

Cone Health and Sentara Healthcare have signed a letter of intent to affiliate. The combined organization will bring together the best of two nationally recognized, high-performing organizations. Together, we will offer a unique approach to value-based care that is focused on keeping people healthy and well while providing high-quality, accessible and affordable health care in more ways and in more places. It is important to know that, right now, nothing changes. Even after our affiliation, you will still be able to receive outstanding care from the same doctors and nurses in the same locations, using the same insurance plan that you do today.

2. What is the nature of the pending agreement between Cone Health and Sentara Healthcare?

The two existing organizations will integrate to form one combined organization. Upon this integration, Cone Health and Sentara will consolidate their finances. This will strengthen both organizations and preserve our viability to support the communities we serve and ultimately transform health care.

3. Is Sentara buying Cone Health?

Sentara is not buying Cone Health. As two not-for-profit organizations with similar missions, Cone Health and Sentara are combining our assets and bringing our organizations together so that we can take advantage of our collective strengths. We will share best practices while simultaneously focusing on opportunities to provide new and innovative programs to the communities we serve.

4. What are the key reasons Cone Health is doing this?

This is a unique opportunity to shape a bold future for value-based health care in the Triad, across North Carolina and beyond. It is about ensuring the best possible health and health care in our communities long into the future and serving as a model for others across the nation. Through the affiliation, care will be better, more accessible and more affordable while sustaining a vibrant, flourishing organization for generations to come. After extensive exploration with Sentara Healthcare about combining our organizations, we are fully confident that our similar cultures and visions of what health care could look like make us ideal partners in shaping this future.

By affiliating with Sentara, which brings its own health insurance plan to our area, we become a model for health care that is rooted in, and specific to, the needs of local communities. A fully integrated non-profit payer/provider network of this scale, and one that is committed to value-based care, will improve community health and wellness, and create a powerful new way of

controlling costs for people across our area. This will make us more competitive, provide more consumer choice and improve affordability.

With America's health care system changing rapidly and facing growing challenges, affordability has become a central political and economic issue. How much health care we use, how it is delivered and how it is financed are questions we must resolve. Health care now is about a fully integrated, innovative system that includes virtual visits for both primary care and specialty care. It is about a wide variety of services — not just at a hospital — but at clinics and offices in neighborhoods and close to home. It is about providing a comprehensive, trusted resource for the health of your family and your community. We believe our combined organization will have the ability to meet these needs and address these challenges in ways neither Cone Health nor Sentara Healthcare could do on its own.

5. Why undertake this affiliation now? Is this happening because the pandemic has hurt health systems financially?

No. Cone Health is a stable and strong organization, despite the challenges the pandemic has posed to all health care systems. We were exploring options long before COVID-19, and if anything, the pandemic has only amplified the importance of bringing true sustainable value to all those we are privileged to serve. Our Board of Trustees and executive management are convinced we have found the right organization to take us into the next exciting stage of the bold future we have been building. Our plans are not built on the demands of today, but on the needs of tomorrow.

6. Could we lose any of our existing hospitals, doctor's offices, clinics, etc.?

No. Our objective is to maintain, enhance and expand the hospitals, clinics, physicians' offices and other ambulatory sites currently operated by Cone Health. In fact, through this affiliation we are committed to bringing more care to more places.

7. How is this different from a management services agreement, which we had with Atrium Health?

In a management services agreement, both organizations remain separate. One pays an annual fee to the other for certain types of management assistance, such as purchasing or supply chain services. Sentara and Cone Health are combining two existing organizations. Upon this integration, Cone Health and Sentara will consolidate their finances. Together, we will offer a unique approach to care—one that is focused on keeping people healthy and well while providing high-quality, value-based, accessible and affordable healthcare in more ways and in more places.

8. What are the financial terms and benefits for our community?

This affiliation brings three big benefits to the communities we serve.

- The first is a **significant capital investment** over the next decade. This will provide critical funding for needed facilities and programs, expanded and improved access to care for people across our region, and innovative approaches for the future in virtual and digital health. All of this will build on Cone Health's tradition of excellence, bringing care into more neighborhoods and improving the health of people in our area.

- The second is an **approach to health insurance** that is affordable and tailored to the local needs of consumers and businesses. Our objective is to build on Sentara’s current Optima Health insurance plan combined with Cone Health’s HealthTeam Advantage (Medicare Advantage) plan to provide more options to those in our region. This fully integrated approach will be focused on providing value to members, improving wellness and keeping costs manageable. The North Carolina health plan division headquarters will be in Greensboro.
- Third, the consolidation of Cone Health and Sentara finances will allow significant funds to be freed up from Cone Health’s current investment portfolio, after coverage of debt, to **enhance our existing foundations, and to create an additional locally headquartered foundation** to serve community health care needs and design new innovative initiatives in our region.

The Future/Possibilities

9. What will this mean for the future of our patients, our communities and our employees? Our

patients: This affiliation will support and enhance our ability to meet Cone Health’s brand promise to be *right here with you*, providing the highest standard of compassionate, accessible and cost-effective care, and doing so in highly innovative and creative ways.

Our employees, physicians and other partners: We expect there will be even more opportunities professionally for our people as a part of this larger, combined organization in terms of growth, development and leadership. This affiliation will make us stronger as we develop and support our work force for the health care challenges of tomorrow.

Our community: This affiliation will build on and enhance our continued efforts to bring the highest possible quality and affordability while emphasizing health and well-being across our communities. It will allow us to bring more care, services and relationships to more people.

Sentara Healthcare

10. Who is Sentara and why choose to affiliation with them?

Because of Cone Health’s strength and success, many organizations have been interested in partnering with us. We have been deliberate and highly selective in considering what would be best for us and our communities. We found that Cone Health and Sentara are both committed to improving patient choice, access and affordability. We share a similar culture and mission as not-for-profit health systems, along with a vision for value, quality, growth and innovation. In recent years, both health systems have had among the very highest measurable quality scores in the nation. As we got to know each other better in recent months, we became increasingly excited about the possibilities of what we could achieve together.

Sentara Healthcare is an integrated, not-for-profit system of 12 hospitals in Virginia and northeastern North Carolina. It features a Level I trauma center, the nationally ranked Sentara Heart Hospital, two orthopedic hospitals, the accredited Sentara Cancer Network and the Sentara Neurosciences Institute. With more than 30,000 employees, Sentara is focused on high-quality, value-based care, innovation and excellent health care experiences. The organization also includes the Sentara College of Health Sciences (an accredited, not-for-profit higher education entity). The health insurance division of Sentara Healthcare (inclusive of Sentara Health Plan, Inc.; Optima Health Plan; and Virginia Premier Health Plan, Inc.) serves more than 880,000 members.

The affiliation of Sentara Healthcare and Cone Health will emphasize health and well-being, while providing our communities with more places and more ways to get great health care. Expanding the number of health insurance plans in North Carolina will increase choice, improve value for consumers and businesses, and help minimize costs.

11. Sentara has 12 hospitals. Do they tend to operate as a whole system or more as independent facilities?

Sentara's origins are very similar to Cone Health's in that Sentara has grown its hospital footprint through a series of community hospital affiliations. The one key difference is that Sentara's hospitals are more dispersed and do not reside in the same general service area. Despite the differences in geography, all of Sentara's hospitals maintain system-level commitments to safety, top-tier clinical performance, and consumer experience by focusing on a system-wide culture that attracts and retains the best talent. Sentara achieves results through shared learnings across their entire system.

12. Can you tell us more about Howard Kern, Sentara's CEO, and his leadership style?

Howard Kern began his career as an administrative resident at Sentara Norfolk General Hospital and has been with the system for 40 years. He became President and CEO of Sentara in March 2016. Throughout his career, Howard has been a strong champion of quality, patient safety, the delivery of an extraordinary patient experience and strategic growth. [You can learn more about him here](#). We expect to have an opportunity for Cone Health staff to meet Howard, either in person or virtually, as our due diligence and integration periods progress.

13. Will we have the opportunity for teams to visit Sentara to learn more about some of their best practices?

Absolutely, but it is important for now that our organizations continue to function separately until our affiliation is completed. We are both learning organizations, and we look forward to sharing best practices as it's appropriate to do so. Until then, we ask that you please not engage in conversations about work or schedule any meetings with your Sentara counterparts unless it is directly associated with sanctioned due diligence efforts.

14. How innovative is Sentara?

Like Cone Health, Sentara has a long history of pursuing innovation in the areas of people, process and technology. Sentara's hospitals have had numerous clinical "firsts" and are recognized as leaders in identifying areas that need transforming. For example, Sentara gained worldwide fame when America's first in-vitro baby was born at Sentara Norfolk General

Hospital. Additionally, Sentara was the first in the nation to pioneer eICU[®], a remote monitoring system for intensive care, and also was the first to leverage telehealth through Sentara Home Care Services to better monitor and manage patients remotely. More recently, Sentara conducted the world's largest clinical trial to evaluate the efficacy of copper to prevent healthcare associated infections (HAIs) and now uses copper-infused linens and hard surfaces in all 12 hospitals. Sentara was one of the initial health systems to join and provide data for IBM Watson Health's global initiative.

15. Does Sentara use Lean?

Yes. Sentara has been committed to continuous improvement efforts for at least four decades, and they started using Lean methods about 20 years ago.

Headquarters, Governance & Branding

16. Where will the headquarters and top executives of the combined organization be located?

Who will be CEO?

Howard Kern, CEO of Sentara Healthcare, will oversee the combined organization and the corporate headquarters will be in Norfolk, Virginia. Greensboro will serve as the regional headquarters for the Cone Health division. Terry Akin will remain in Greensboro as the president of the Cone Health division. Key leadership from both organizations will be in Virginia and North Carolina.

17. Will top executives of the combined organization participate as leaders in various community/civic/business organizations as current Cone Health executives do?

Both Cone Health and Sentara Healthcare are community-centric organizations known for their commitment to civic support. We will remain heavily involved in the North Carolina communities Cone Health serves.

18. What will the board look like going forward, and what representation will there be from people who know our communities?

Cone Health representatives will join the Sentara Healthcare board, with membership on all board committees and meaningful roles in all aspects of governance. Current Sentara Board Chair Dian Calderone will be Chair initially, with board leadership rotating over time and a Cone Health legacy member assuming the Chair role in the near future following the affiliation. Additionally, there will continue to be a Cone Health Regional Board that will be composed of community, medical staff and Sentara representation.

19. What will the name of the combined organization be? Will Cone Health still be in the name?

This has not yet been decided. Both the Sentara and Cone Health brands enjoy strong reputations in our respective areas, and we want to find ways to maximize that impact. The approach to naming and branding will be part of our ongoing discussions.

20. I thought Cone Health had to keep our name according to our original charter.

Our founding charter does require that the name for The Moses H. Cone Memorial Hospital remain; this will not change.

- 21. How and when will we decide on a name and branding for the combined organization?** Our joint Marketing & Communications teams will partner to develop recommendations for long-term naming and branding strategy after our affiliation is completed next year.
- 22. Has our board and senior leadership talked with the Cone family about the affiliation?** Yes. Ed Cone serves on our Board of Trustees and is fully supportive of this affiliation. In addition, Ed, Terry Akin and members of our board have talked with other members of the Cone family throughout this process.
- 23. When Sentara’s CEO becomes the CEO for our entire organization, what decision rights will we have locally in Greensboro?**
Cone Health and our community will have representation on the Sentara Board of Directors. In addition, the Cone Health division will maintain a regional board and strong executive presence. Terry Akin will remain in Greensboro as president of the Cone Health division and will become an executive vice president for Sentara Healthcare. Decisions about governance will be determined as a part of integration planning.
- 24. Why was Norfolk chosen as the corporate headquarters?**
Sentara and Cone Health decided that the combined corporate office would remain in Norfolk, VA, where Sentara’s corporate headquarters are located. A significant corporate presence will stay in Greensboro, and this is where the North Carolina health plan headquarters will be located.

Timing

- 25. When will the change take place?**
It is important to know that, right now, nothing changes. Now that we have signed a letter of intent, we will take the coming months to complete the due diligence process until the transaction closes. During this time, we will operate as separate organizations. The affiliation is subject to state and federal regulatory review and customary closing conditions. We expect to formalize the affiliation by mid-2021. Following that, it is expected to take up to two years to fully combine and integrate our organizations.
- 26. What is the “due diligence” period?**
Now that we have announced our intention to affiliate, both organizations enter a phase of “due diligence” to better understand each other from a business standpoint. During this time, we will share information about finances, risk management, contracts, human resources and many other aspects of our operations. Sentara will provide us with a similar set of information. Due diligence work is anticipated to take between 90 and 120 days and then both organizations would seek regulatory approvals.
- 27. Could competitors in either region oppose this affiliation?**
During the regulatory process, our competitors may be interviewed by officials from regulatory agencies, and their comments will be evaluated factually.

28. Is there concern that elected officials may oppose the affiliation?

That is always a possibility, but we do not believe it is a significant concern. We continue to affirm that this affiliation is the right thing to do because it will bring more care to more people in more places, for less cost. This is the message we have consistently shared with our elected officials.

29. What if we affiliate and find out this is not a good fit?

Our boards and senior leadership teams have spent a lot of time learning about each of our organizations, and we signed this letter of intent because we feel strongly that Cone Health and Sentara are culturally and strategically compatible. We will continue to evaluate our potential relationship during our period of due diligence in the coming weeks. Once the affiliation is approved and completed, this decision will be final.

30. Will our affiliation and integration occur in a phased-in manner or all at once?

The process for integration is still to be determined. We expect it to take approximately two years.

Jobs & Benefits

31. Cone Health is the largest employer in our area. What will be the impact on our people? Will there be job losses? What levels and how many?

From now until the transaction closes, it will be business as usual. At the same time, teams will be formed within both organizations to develop an integration plan to be launched after closing. This will not be unlike the process undertaken several years ago when Cone Health and Alamance Regional Medical Center came together.

Our team members are, and will continue to be, our most valuable asset and play an integral role in delivering on our promise to be “right here with” the communities we serve every day. While it’s too soon to determine if any changes are necessary to specific positions, both organizations maintain a philosophy of having no employee layoffs as we work to achieve our shared objectives. It is also important to reiterate that this affiliation is intended to bring new job opportunities for people in our region through such initiatives as outpatient care site development and access growth, virtual care and telehealth development, and the location of Optima Health Plan and other corporate functions in our region. As an affiliated organization, we aspire to offer even more exciting professional opportunities and career pathways and be the employer of choice within our communities.

32. Will compensation/benefits of employees at Cone Health change?

From now until the transaction closes, it will be business as usual. Both Cone Health and Sentara are committed to keeping pay and benefits competitive. As we progress with our integration period, we will analyze market data to ensure we are paying appropriately for the regions we serve.

33. Our people-centered culture and accessible leadership are important to us. Will these be maintained after the affiliation?

Part of what attracted us to Sentara is that we share a similar culture and commitment to our people. As we integrate, we will assess both our cultures to determine what we each do well and where we might have opportunities to improve together.

34. Will we change our values, iCARE Commitments and brand promise as a result of this affiliation?

These are vitally important aspects of who we are at Cone Health. Equally, Sentara has similar commitments and values that define their organization. We will consider these together during our integration process, with a goal toward creating the very best for our combined organization.

35. How will this affiliation affect our 403-B retirement plan?

This will be decided as part of our integration process but for now, it is business as usual. Our joint goal is to preserve and enhance our competitiveness and attractiveness as the employer of choice for those in our region.

36. Will our health insurance coverage stay the same?

This will be decided as part of our integration process but for now, it is business as usual. Our joint goal is to preserve and enhance our competitiveness and attractiveness as the employer of choice for those in our region.

37. Once the affiliation is completed, will employees have to re-apply for their jobs?

We do not expect this to occur, except perhaps in very rare instances. Most team members likely will remain in their current jobs or have opportunities to seek expanded roles or responsibilities.

38. What will happen to catastrophic sick bank hours?

This will be decided as part of our integration process.

39. How will the affiliation affect the Cone Share employee incentive payout we receive?

Nothing will change with our Cone Share process for at least this fiscal year. After our affiliation closes, we will consider each system's rewards and incentive programs and determine what works best going forward. Both Cone Health and Sentara greatly value our employees and will continue to look for ways to support and reward them.

40. How will this affect our Enterprise Leadership Team?

Our Cone Health division will continue to need a strong leadership structure. The specifics of this will be considered during our integration process.

41. When should we connect with our Sentara counterparts? I have already received LinkedIn invitations from Sentara colleagues.

We appreciate your enthusiasm for creating meaningful connections with our future team members. Please note that legally, our organizations need to continue to function separately until our affiliation is closed. During this time, we ask that you not engage in conversations about work or schedule any meetings with your Sentara counterparts unless it is directly associated with sanctioned due diligence efforts. You are welcome to continue professional

relationships you might already have that are unrelated to the affiliation, make brief social connections such as accepting LinkedIn invitations, or send or answer brief introductory emails.

42. We have some employees on furlough due to COVID-19. Will this planned affiliation delay their return to work?

No, we are not yet a combined organization. We will make and abide by our own decisions about employees returning to work.

43. Are we holding back on posting any jobs because of the affiliation?

No. Some open jobs may have been placed on hold because of financial constraints related to COVID-19. Many of those are being released now to be filled.

44. Will we be able to transfer easily to jobs within Sentara?

For now, we remain separate organizations. After our affiliation closes and we begin integration, job transfers may be possible if people are interested and qualified.

Physicians

45. Will we integrate our medical staffs?

No. Medical staffs within Greensboro, Reidsville and Burlington will continue to remain separate as will the medical staffs that serve the hospitals within the Sentara Healthcare network.

46. How does Sentara structure its medical staff services?

Sentara has 12 hospitals with 11 independent medical staffs across the geography it serves.

47. What will this affiliation mean for our physicians?

A group of physician leaders from across the system were informed during this process and have been supportive of our direction. Cone Health and our local physician/provider community have worked for many years in creating a collaborative, mutually supportive culture. We do not expect that to change. In fact, we expect the affiliation of Cone Health and Sentara Healthcare to provide additional opportunities for our doctors and professional partners to learn, grow, lead and combine their respective strengths. The combined organization will allow our employees and providers to have more resources, increased collaboration and expanded opportunities to provide value and high-quality care for our patients. Providers will be able to collaborate with peers in both systems with deep experience in best practices and proven track records of high-quality care. As a result, we see this affiliation as a way to recruit, retain and enhance the best talent for our combined organization.

Nursing and other Team Members

48. What will this affiliation mean for our nursing team?

At Cone Health, we have worked to create a culture of open dialogue, team-based continuous improvement and collective problem-solving. We expect that to not only continue, but to be

strengthened through this affiliation, as it will bring additional resources and opportunities for growth and increased collaboration. Combining with another top-performing health system will also expand our ability to recruit, retain and enhance the very best talent.

49. How will this affiliation affect staffing levels?

Our affiliation with Sentara will bring additional opportunities to innovate in our staffing models to benefit all of those who provide care at the bedside and all across our combined system. We will rely on you, as caregivers who do this work every day, to provide critical input into these ongoing discussions, both before and after our planned affiliation and integration. We want to hear from you and ensure we are using best practices for the benefit and safety of all our caregivers and patients.

50. How will this affiliation impact our Magnet status?

Sentara values Magnet just as we do at Cone Health. Nine of their 12 hospitals have acquired either Magnet or Pathway to Excellence designation. The remaining three hospitals are on the Magnet journey.

51. How will we align our nursing policies and procedures across both systems?

We will create a structure for shared governance and shared input across both our organizations to ensure we select the best evidence-based practices for our mutual commitment.

Other Competitors/Who Else Was Considered?

52. Why not affiliate with another health system that is in our state and region now? Why did we choose to go out of state?

After thorough consideration of numerous options, we believe Sentara Healthcare is most closely aligned with Cone Health. We share a deep commitment to value-based care — with a goal to keep our communities healthy and well, and to provide the highest quality care in ways that are accessible and affordable. Our affiliation with Sentara in no way prevents us from continuing our relationships with area systems for graduate medical education, clinical program development and support, population health, health insurance and other areas of common interest.

53. What happened with Atrium and Cone Health?

You may recall that last year Cone Health and Atrium scaled back our original management services agreement to a supply chain/purchasing agreement only. The decision by Cone Health to affiliate with Sentara will again change the existing Atrium arrangement. More details will be provided in the near future.

54. Is this similar to the arrangement between Atrium and Wake Forest Baptist?

We can't speak to other affiliations or partnerships in North Carolina. What we can say is that

Sentara Healthcare and Cone Health are combining from a place of mutual strength. We believe Sentara Healthcare is most closely aligned with Cone Health, strategically and culturally. We share a deep commitment to value-based care and to broaden population health in the areas we serve. The driving force behind this affiliation is to improve the health of the communities we serve. As we become part of a larger organization, a team will work on integrating various aspects of our organizations to produce new levels of performance in quality, service, and affordability for our patients.

55. Is this like what Mission in Asheville did recently?

Mission Health was bought by a for-profit company, which has shareholders. By contrast, Sentara Healthcare and Cone Health are both not-for-profit health care systems.

56. How might this affiliation affect our continuing role as a major provider in Randolph County?

We have every intention of not only maintaining but strengthening our role as a major health care provider to the residents of Randolph County. Sentara is aware of and supportive of this commitment. We will closely monitor Randolph Health as it proceeds through its bankruptcy process, assessing any opportunities we have to work with them to ensure continued access to health care for the Randolph County population.

Existing Partnerships/Vendors

57. Does this affect our partnership with Canopy Partners?

We expect no change during the due diligence period. We will begin evaluating these relationships during due diligence, followed by further evaluation during integration planning.

58. Does this affect our partnership with Greensboro Imaging?

We expect no change during the due diligence period. We will begin evaluating these relationships during due diligence, followed by further evaluation during integration planning.

59. How will this impact our relationship with Premier and our purchasing and supply chain functions?

We expect no change during the due diligence period. We will begin evaluating these relationships during due diligence, followed by further evaluation during integration planning.

60. Vendors who have contracts with Sentara are already calling me to pitch their services. What should I do?

To avoid confusion and to properly plan for integration, both organizations have agreed not to enter into new, or extend existing, vendor relationships during due diligence.

Endowment/Foundations

61. What happens to Cone Health's considerable investments (sometimes referred to locally as an endowment)?

When we affiliate, Cone Health and Sentara will consolidate finances — including our investment portfolio, sometimes referred to as our endowment, and our outstanding debt. Combining these two high-performing companies will strengthen both of our organizations because we can do more together — the whole will be greater than the sum of its parts. As noted above, this also will allow existing net Cone Health investment funds to provide significant foundation support.

62. What happens with our existing foundations in Guilford, Alamance and Rockingham counties?

The consolidation of Cone Health and Sentara finances will allow significant funds to be freed up from Cone Health’s current investment portfolio, after coverage of debt, to enhance our existing foundations, and to create an additional locally headquartered foundation to serve community health care needs and design new innovative initiatives in our region. In addition, the current Cone Health Foundation and Impact Alamance Foundation will become independent, locally headquartered and locally focused private foundations. The large majority of the board representation for all three foundations will come from the communities they serve.

Our Patients

63. How will we communicate with our patients about this affiliation and what it means for them?

We have contacted all of our patients for whom we have valid email addresses, letting them know that there will be no changes in how or where they receive care. We have also let them know that they can continue using their same insurance. If patients have further questions, please direct them to the information on our website, www.conehealth.com/future.

64. Will this affiliation change where patients go for highly specialized (quaternary) care?

Not necessarily. We have longstanding referral relationships with health systems in our state for those few services not provided at Cone Health. That said, this affiliation allows us to offer more choices for care when appropriate. We will always do what is in the patients’ best interest and will further evaluate during integration planning.

65. How will this affect care in our rural areas?

We don’t have any specifics yet. Over time, we are committed to growing and expanding services across all the areas we serve.

Community

66. Cone Health has been a big supporter and financial sponsor of economic development locally as well as many community events and initiatives. Will that change?

No. We will remain a vital and engaged partner, heavily involved in the North Carolina communities we serve with the same, or even increased, levels of support.

67. What about charitable care for which Cone Health has historically been known? Will that change?

No. Our commitment to providing charitable care will remain steadfast. This is a strong part of the history and heritage of both Cone Health and Sentara Healthcare — each has a longstanding

commitment to their respective communities for uncompensated care and overall support for those in need.

68. Does Cone Health still need donations from the community despite it affiliating with Sentara? If so, why?

Yes. In order to answer patient needs innovatively and collaboratively, we're asking individuals to invest with us as well. This affiliation includes significant resources that will allow us to launch much-needed capital improvement and expansion plans across our communities. Philanthropy will support patients in need with help related to catastrophic illnesses, medication assistance, patient education, art and healing spaces, and everything that creates lasting wellness.

Insurance Plans

69. What is Optima Health and what benefits does it bring to our communities and North Carolina?

Optima Health is a 501(c)(3) not-for-profit health insurance entity owned by Sentara Healthcare. The affiliation will provide our communities more choice in selecting health insurance that suits their needs. We are convinced that our strategic vision in North Carolina will allow us to better control the total cost of care.

70. What does this mean for HealthTeam Advantage?

Through this affiliation, we will have the opportunity to strengthen and expand HealthTeam Advantage, Cone Health's Medicare Advantage health plan. Optima Health will also implement a plan to roll out additional health insurance offerings in our region.

71. Will Triad area residents and North Carolina residents now be able to choose Optima Health?

We expect Optima Health to be an option over time. Cone Health's affiliation with Sentara creates the opportunity to expand Optima, Sentara's highly successful health insurance plan, to North Carolina. Operating since 1984, Optima brings a long track record of creating value for its customers in such product lines as commercial insurance and Medicaid for municipalities and small- to medium-sized employers. Optima's entry into North Carolina signals more health insurance options for North Carolinians.

72. Will Optima Health's presence enhance our health care system's financials and ability to sustain high-quality care?

We have an opportunity to provide even better care by integrating value-based care in new and innovative ways. Doing so will help communities stay healthier and help us all control insurance costs by managing chronic disease and reducing preventable incidents of catastrophic care. Together, we will be strengthened from a business and financial standpoint. The combined organization will provide better quality health care and health plan coverage, at lower costs, to hundreds of thousands of people. This certainly will have a positive impact on the combined organization.

73. How might other major payers (insurance companies like Blue Cross and UnitedHealthcare) view this affiliation?

We intend to maintain and continue to strengthen our vital and longstanding business relationships with other major payers who have always been very important to us and to our communities. Increasing the number of health insurance plans will bring additional choice to consumers. It is important to keep in mind that other payers have been increasing their competitive efforts for years in this area, and new competitors are coming, or are already here. We believe that this affiliation with Sentara will help us remain a strong, viable and diversified health care choice across the communities we serve.

Service Lines/Departments

74. Sentara recently announced the sale of its long-term care facilities. How will this affect our skilled nursing and rehab sites?

We have no plans for the sale of this part of our organization. For now until the affiliation closes, it will be business as usual. This will be one of many topics discussed as we go through the integration process, which is expected to take up to two years.

75. How will shared services -- like IT, Finance and others -- be coordinated between the two organizations?

We expect we will continue to need shared services and corporate capabilities in both of our markets. Specifics will be determined during integration planning. If we do identify any efficiencies, we would manage this through attrition or reassignment. Both organizations share a philosophy of no layoffs.

76. How will this affect Lab employees?

We will continue to need laboratory services in our facilities and communities. Specifics will be considered as part of the integration process.

77. Will we continue using Epic after the affiliation?

Yes. Both Sentara and Cone Health use Epic now, and we expect that to continue.

78. Will Cone Health and Sentara share the same Epic platform and integrate our patient databases (also known as "using the same instance" of Epic)?

In the short term, we don't expect to integrate our platforms in this way. In the long term, it's possible. If we decide to do this through our integration process, we expect this would take 1-2 years to accomplish.

79. Will we have access to Sentara's flight services for trauma care and patient transport? While we may have access to the services, it is uncommon that members of our communities would need to be referred outside of Cone Health.

80. Will we change our Enterprise Resource Planning (ERP) system? This will be decided as part of integration.

81. Does Sentara have call centers for scheduling, IT, etc.? Will we share those or keep our own?

Sentara has several different call centers. This will be decided as part of the integration process.

82. How will this affiliation affect our residency programs?

We do not expect our residency programs to change or move. In fact, the affiliation has the potential to increase opportunities for our medical education programs.

83. Will we continue to offer our Administrative Fellowship program?

We do not anticipate any changes to this program. Both Howard Kern and Terry Akin began their careers as administrative fellows. They are fully supportive of the value administrative fellows bring to our organizations and to developing talent.

84. After the affiliation, will billing and coding functions be handled by Cone Health, by Sentara, or by an outsourced vendor?

This will be considered as part of the integration process.

85. What does this mean for Talent Acquisition? Are we still planning to bring them back in house this fall?

Yes, we will bring Talent Acquisition in-house this fall to give us greater strategic oversight over this function. Sentara also has in-house talent acquisition services. We look forward to exploring next steps for these models during our integration period.

86. How will this affiliation impact our work with diversity, equity and inclusion, including our efforts to address disparities in care?

Both Cone Health and Sentara share a deep commitment to improving diversity, equity and inclusion. Sentara also has a comprehensive diversity function, including a chief diversity officer, employee network groups, and strategic imperatives associated with health equity. In addition, we expect the affiliation to free up funds to invest in a new community foundation headquartered in Greensboro that will help improve care for all those we serve and address health care disparities and social determinants of health. We will continue to challenge ourselves in this important area as a combined organization.

87. How will this impact Behavioral Health Services?

Both organizations believe behavioral health services are central to our purpose of serving our communities. We don't expect this to change. Sentara has three inpatient behavioral health units housed in acute care facilities. In addition, they provide numerous outpatient behavioral health services. [You can learn more here.](#) Sentara is looking forward to working with Cone Health and the service line leaders as the needs for behavioral services and creative new care delivery models continue to grow.

88. Does Sentara offer translation/interpreter services for patients who are not fluent in English?

Yes, all hospitals must provide these services.

89. Does Sentara have a clinical research program?

Yes. Sentara has both a robust medical research program as well as a highly regarded nursing research program.

90. I understand Sentara offers organ transplant services. Would this affiliation allow us to offer these services here?

We have longstanding referral relationships with health systems in our state for those few services not provided at Cone Health. That said, this affiliation allows us to offer more choices for care when appropriate. We will always do what is in the patients' best interest and will further evaluate during integration planning.

Other

91. In today's health care environment, what would be the risks/downsides of not affiliating?

As strong as Cone Health is, we expect competition and financial pressures in the health care environment to continue to increase over time. Given that and the continued pace of change in health care, we believe it will be challenging for us, and many health systems, to remain independent over the next three to five years. We have chosen to act proactively so we can ensure the very best future for our organization and all those we serve. We are confident Sentara is the best organization to join us in shaping this future.

92. Is it true that Alamance Regional Medical Center will not be part of the affiliation and is instead being sold off separately?

No, that is not true. Alamance Regional is, and will continue to be, part of Cone Health.

93. Will we have a new tax-ID number for our combined organization?

Cone Health and its related entities will retain their existing federal tax ID numbers.

94. Which organization has the larger balance sheet?

Sentara's annual revenues are about \$9.5 billion – half from the health system and half from their health insurance products. Cone Health's annual revenue is about \$2.3 billion.

95. How will this affect our current capital projects?

We have no plans to scale back any of the projects we have planned. Of course, we will proceed with our usual caution, especially given the impact of COVID-19. But if anything, this potential affiliation will increase our access to capital to grow our facilities and investments in digital and virtual health.

96. Can I reach out to my counterparts at Sentara to discuss operational issues before the affiliation is finalized? And how about during integration?

With the signing of our letter of intent, we are now entering a phase of due diligence that will provide opportunities for our respective to leaders to collaborate in a number of areas. These interactions will be structured to make sure they are as productive as possible. Please do not reach out yet to your counterparts at Sentara. More details on how this process will unfold will be forthcoming in the near future.

97. How will this letter of intent to affiliate impact new or current contracts with vendors? If you have contracts up for renewal, or want to pursue any new contractual relationships, we ask that you please talk with your ELT member first.