Grow your life with us.
In the past two years, events such as the COVID-19 pandemic and heightened urgency for health equity and social justice have created an enormous impact on Prime Healthcare and the communities we serve.

**Healthcare professionals have earned their title as heroes during public health threats, staffing shortages, and challenging responses to the pandemic.**

At Prime Healthcare, we are all driven by our shared goals and determination to advance health equity, social, and environmental change in response to events and pressures in our nation and the world. Our Mission and Values continue to guide us through these monumental times, and we are proud of the progress we have made addressing environmental, social, and governance (ESG) objectives.

**Our social impact and sustainability work has focused on reducing our environmental footprints through more sustainable operations; maintaining and enhancing our approach to corporate governance; supporting our communities through charitable giving and engagement; and investing and supporting our employees with a deep commitment to social justice and diversity, equity, equality, and inclusion.**

As a company steeped in our values of quality, compassion, community and physician-led leadership, Prime Healthcare has always held ourselves to exceptionally high standards. Through our work in quality, value-based care, we are accountable to building a healthier and more equitable future for those we employ and those we serve.

Please enjoy Prime Healthcare’s 2022 environmental, social and governance report that shares our ongoing work to strengthen communities. We are honored to highlight the commitment and achievements of our people and their remarkable contributions that help make our nation a better place to work and live.

Sincerely,

Prem Reddy, MD
Chairman, President & CEO
Prime Healthcare

Kavitha Bhatia, MD
President and Chair,
Prime Healthcare Foundation &
Chief Medical Officer of Strategy,
Prime Healthcare
Our promise

To provide compassionate care and clinical excellence to all patients as we create hospitals that improve healthcare in every community we serve.
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Creating shared value to make a **Difference**.

We are pleased to share this Environmental, Social, Governance (ESG) report that highlights how we bring our mission and values to life through our dedication to community healthcare. Our ESG priorities, as defined by Prime Healthcare’s Corporate Executive Leaders and ESG Committee, will continue to evolve to address the ever-changing realities around the United States and world, and we are committed to sharing our progress and lessons learned. Our sense of social responsibility will always shape our decisions and strategy, goals and commitments. Prime Healthcare strives to ensure health equity and create more resilient communities as we operate with the highest standards of ethics and integrity.

**Environmental**

**Our Planet**
- Reduce consumption
- Increase efficiency and renewables
- Climate transition

**Social**

**Our People**
- Human capital
- Social capital
- Health and safety

**Governance**

**Our Ethics & Integrity**
- Risk management, culture and oversight
- Governance structure
- Transparency and reporting
ESG highlights

**ENVIRONMENTAL**

**Net-zero by 2050**
Removing harmful emissions from the earth’s atmosphere

25,617 MWh electricity reduced equates to 2,287 homes’ energy use for one year

Emission avoided from 3,295 gasoline passenger vehicles

**SOCIAL**

**Top 10**
Prime Healthcare ranks among the top 10 health systems in the nation for social responsibility and cost efficiency

82% fully COVID-19 vaccinated employees and providers

66% ethnically diverse new hires

**GOVERNANCE**

Over 40,000 employees educated on compliance each year

Over 1,000 items tested in the last 3 years with minimal errors noted in extensive on-going audit of key compliance measures
We are physician-founded, physician-led, and transforming hospitals.

Founded in 2001, Prime Healthcare Services owns and operates 45 hospitals in 14 states. Fourteen of the hospitals are not-for-profit members of the Prime Healthcare Foundation.

Our philosophy is that all healthcare is local. Our hospitals nationwide, along with medical groups, urgent care centers, ambulatory surgery centers, and specialty clinics, serve the unique needs of their communities while providing exceptional care with the strength and support of Prime Healthcare.

Through a physician-founded and patient-centered model, dedication to quality, evidence-based best practices, operational efficiency, technology, and capital investment, Prime Healthcare is recognized among the best in the nation by Truven Health Analytics as a Top 10 and 15 Health System in the nation three times. Prime was the only health system recognized with the prestigious 2021 John M. Eisenberg Patient Safety and Quality Award for addressing social determinants of health. And, Prime Healthcare ranks among the top 10 health systems in the nation for social responsibility and cost efficiency, according to the Lown Institute. Prime Healthcare stands apart from others by its unique ability to transform hospitals. As we continue to grow and fulfill our mission of providing quality care and exceptional patient outcomes, we remain committed to creating a legacy that will improve healthcare.
Committed to Quality, Compassionate Care, and Service to the Community.

Our mission and our values guide how we conduct our business, what we believe in and where we are headed.

Mission
To deliver compassionate, quality care to patients and better healthcare for communities.

Values
Quality
We are committed to always providing exceptional care and performance.

Compassion
We deliver patient-centered healthcare with compassion, dignity and respect for every patient and family.

Community
We are honored to be trusted partners who serve, give back and grow with our communities.

Physician-Led
We are a uniquely physician-founded and physician-led organization that allows doctors and clinicians to direct healthcare at every level.

Prime Healthcare was founded by Dr. Prem Reddy, a physician with a mission to ensure the continued provision of quality and compassionate care, attaining healthcare's Triple Aim of:

- improving the experience of care
- improving the health of populations
- reducing the per capita cost of health

Prime Healthcare was delivering value-based care before it even became a “buzz word” goal in healthcare. Our definition of value equates to optimizing clinical outcomes that matter most to patients relative to the cost of care being delivered. Our physician-driven, patient-centric model has proven fundamental to improved quality of care and excellent clinical outcomes and experiences. Prime has invested $1.1 billion since 2005 on best-in-class medical technology, including upgraded emergency rooms, radiology equipment, IT upgrades and electronic medical record systems.

We are stewards of a mission, and that mission is to make sure communities have hospitals that provide the highest quality, affordable care when people need it the most. Through our work in health advocacy and chronic disease management to our clinical quality improvement initiatives and improving the experience of all we serve, we are deeply committed to offering and achieving higher levels of care for patients while working to decrease costs.
Growing to **improve** our community’s lives.

**The story behind our Prime logo mark**

The Prime Healthcare logo is a symbol of our mission and values. With the caduceus and international cross as a symbol of protection, aid and love, our logo is a visual representation of everything we do and all that we stand for. The achievements of the past, the health and well-being of the present, and the advancements of the future rely on its good use and utmost respect. Our logo mark’s burgundy color and simplicity is elegant and steadfast. It is strong and bold. And it is an essential part of our brand identity and heritage.

- **45** Hospitals
- **14** States with Hospitals
- **50,000+** Staff and Affiliated Physicians
- **2.6M** Unique Patient Visits Annually
- **600** Communities Served
- **8,708** Licensed Beds
- **$9B** $9 Billion Charitable Contributions since 2010
- **$1.7B** Capital Improvements since 2005

Prime Healthcare hospitals
Prime Healthcare Foundation hospitals
In late 2021, The Lown Institute Hospitals Index recognized Prime Healthcare for social responsibility and cost efficiency.

The Lown Index is the first ranking system to define standards for hospital social responsibility by examining performance across health outcomes, value, and equity.

The Lown Index recognized Prime Healthcare among the top five health systems in the country based on 54 metrics tied to equity, including racial inclusivity, pay equity, avoiding overuse, clinical outcomes and cost efficiency, which evaluate how well hospitals achieve low mortality rates at a low cost with excellent outcomes. Fewer than three percent of the hospitals studied nationwide received top honors. Several Prime hospitals ranked in the top two and a half percent of all hospitals included in the 2021 rankings, with two hospitals ranking in the Top 10.

Prime Healthcare is among the top 10 most cost-efficient health systems in the nation, according to the Lown Institute.

The Cost Efficiency metric measures how well hospitals achieve excellent patient outcomes at the lowest costs.

First-ever ranking examines costs at 3,000 hospitals, and concludes that if all hospitals matched the performance of the country’s most efficient, there would be $8 billion in Medicare savings each year.
Prime continues an unwavering dedication to providing compassionate, quality care, building value, preserving access, and improving health outcomes.

This has been the commitment that allows Prime hospitals to consistently be recognized for providing the highest quality care to all those we serve.

In April 2022, The Joint Commission and National Quality Forum announced that Prime Healthcare earned the prestigious 2021 John M. Eisenberg Patient Safety and Quality Award in the “National Level Innovation in Patient Safety and Quality” category.

Prime Healthcare was recognized for its groundbreaking initiatives in social determinants of health that are consistent with the aims of the National Quality Strategy: better care, healthy people and communities, and smarter spending. The awards recognize individual, local and national achievements in health care that improve patient safety and health care quality. Prime Healthcare was the only health system to receive a National Level Innovation award for Improving and Promoting Social Determinants of Health at a System Level.
Prime Healthcare hospitals continue to be named to the Merative (formerly Fortune/IBM Watson Health®) 100 Top Hospitals list, which recognizes the top-performing hospitals in the country. Several Prime hospitals have received an “Everest Award,” which recognizes hospitals that earned the “100 Top Hospitals” designation and ranked among the top 100 hospitals for rate-of-improvement during a five-year period. Prime’s hospitals have been recognized 66 times as “100 Top Hospitals.”

The Leapfrog Group and Healthgrades continue to recognize Prime by awarding our hospitals with safety excellence recognition. Currently, 25 Prime hospitals hold “A” ratings from The Leapfrog Group for patient safety. Prime has received more Patient Safety Excellence awards from Healthgrades than any other health system in the United States for the last seven years. In early 2022, Prime Healthcare hospitals received more than 300 quality awards from Healthgrades, in addition to ranking among the nation’s best for excellence in women’s care with 5-star Women’s Care Excellence awards.
Prime Healthcare Services and the Prime Healthcare Foundation
Charity Care and Community Benefit Since 2010

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<tr>
<td>2020</td>
<td>St. Francis Medical Center CA</td>
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<tr>
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<td>Lehigh Regional Medical Center FL&lt;br&gt;Saint Michael’s Medical Center NJ</td>
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<tr>
<td>2013</td>
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<td>Chino Valley Medical Center CA</td>
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<td>2001</td>
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### About Us

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<tr>
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<td>Hospitals donated from Prime Healthcare Services</td>
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<td></td>
<td>to Prime Healthcare Foundation (8)</td>
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<tr>
<td>2018</td>
<td>Landmark Medical Center RI*</td>
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<td></td>
<td>Rehabilitation Hospital of Rhode Island RI*</td>
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<td>2016</td>
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<td>Coshocton Regional Medical Center OH</td>
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<td>Suburban Community Hospital PA</td>
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<td>2014</td>
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<td>2013</td>
<td>Knapp Medical Center TX</td>
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<td>Pampa Regional Medical Center TX*</td>
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<td>2009</td>
<td>Encino Hospital Medical Center CA*</td>
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</tbody>
</table>

*Hospitals donated from Prime Healthcare Services to Prime Healthcare Foundation (8)*

Hospitals acquired by Prime Healthcare Foundation (6)
Our growth

— **2001**
Prime Healthcare Services, Inc. was founded with the acquisition of Desert Valley Hospital in California

— **2005**
Prime Healthcare acquires Chino Valley Medical Center in California

— **2006**
Prime Healthcare Foundation established
Prime Healthcare acquires Sherman Oaks, Montclair, Huntington Beach, La Palma, and West Anaheim hospitals in California

— **2007**
Prime Healthcare acquires Paradise Valley Hospital and Centinela Hospital Medical Center in California

— **2008**
Prime Healthcare acquires Encino, Garden Grove, Shasta and San Dimas hospitals in California
**Prime Healthcare earns “10 Top Health Systems” by Truven Health Analytics**

— **2009**
Prime Healthcare donates Encino Hospital Medical Center to the Prime Healthcare Foundation

— **2010**
Prime Healthcare acquires Alvarado Hospital Medical Center in California
Prime Healthcare donates Montclair Hospital Medical Center to the Prime Healthcare Foundation

— **2011**
Prime Healthcare completes first acquisition outside California with Harlingen Medical Center in Texas
Prime Healthcare donates Sherman Oaks Hospital to the Prime Healthcare Foundation

— **2012**
Prime Healthcare acquires Roxborough Memorial Hospital and Lower Bucks Hospital in Pennsylvania,
Saint Mary’s Regional Medical Center in Nevada, Dallas Medical Center and Pampa Regional Medical Center in Texas
Prime Healthcare opens its new 65-bed expansion at Desert Valley Hospital
Prime Healthcare donates Huntington Beach Hospital to the Prime Healthcare Foundation
**Prime Healthcare earns “15 Top Health Systems” by Truven Health Analytics**
A TIMELINE OF PRIME HEALTHCARE

— **2013**
Prime Healthcare Foundation acquires Knapp Medical Center in Texas
Prime Healthcare acquires Saint John Hospital and Providence Medical Center in Kansas
Prime Healthcare donates Pampa Regional Medical Center to the Prime Healthcare Foundation

**Prime Healthcare earns “15 Top Health Systems” by Truven Health Analytics**

— **2014**
Prime Healthcare acquires Glendora Community Hospital in California, Garden City Hospital in Michigan, St. Mary’s General Hospital in New Jersey and Landmark Medical Center and Rehabilitation Hospital of Rhode Island in Rhode Island
Prime Healthcare donates La Palma Intercommunity Hospital to the Prime Healthcare Foundation

— **2015**
Prime Healthcare acquires North Vista Hospital in Nevada, St. Joseph and St. Mary’s Medical Centers in Missouri, Riverview Regional Medical Center in Alabama, Dallas Regional Medical Center in Texas, Lake Huron Medical Center in Michigan, Saint Clare’s Behavioral Health, Saint Clare’s Denville Hospital, and Saint Clare’s Dover Hospital in New Jersey and Monroe Hospital in Indiana
Prime Healthcare donates Glendora Community Hospital to the Prime Healthcare Foundation

**Prime Healthcare named fifth largest for-profit hospital system by Becker’s Hospital Review**
**Prime Healthcare named “The Fastest Growing Hospital System” in the country by Modern Healthcare**

— **2016**
Prime Healthcare Foundation acquires Southern Regional Medical Center in Georgia, Coshocton Regional Medical Center and East Liverpool City Hospital in Ohio, and Suburban Community Hospital in Pennsylvania
Prime Healthcare acquires Lehigh Regional Medical Center in Florida and Saint Michael’s Medical Center in New Jersey

— **2017**
Prime Healthcare Foundation acquires Mission Regional Medical Center in Texas

— **2018**
Prime Healthcare donates Landmark Medical Center and Rehabilitation Hospital of Rhode Island to the Prime Healthcare Foundation

— **2020**
Prime Healthcare acquires St. Francis Medical Center in California
Preserving a Hospital.  
Serving a Community.  
St. Francis Medical Center

St. Francis Medical Center, in one of the most underserved areas of southeastern Los Angeles, was living in the shadow of bankruptcy and possible closure. Committed to its mission of ensuring access to quality healthcare for all, in August of 2020, Prime Healthcare proceeded in the middle of the greatest pandemic of a generation to secure St. Francis as a member of the Prime family. Prime Healthcare immediately invested in and transformed the hospital with the investment of over $12 million in new technology and systems to improve services and care for a community that was devastated by the pandemic. The overnight transformation, investment, and resources touched thousands of lives and allowed St. Francis to continue as a beacon of light and hope through dark times.

As a result, ST. FRANCIS IS NOW ON FIRM FOOTING. Lynwood community leaders, advocacy groups, and businesses, the Lynwood Mayor and City Council, along with the entire City Government, have been valuable partners in promoting health equity with St. Francis Medical Center as the hospital weathered the pandemic and brought life-saving vaccines to its community. That partnership, alongside the offices of Assembly Speaker Anthony Rendon, LA County Supervisor Holly Mitchell and Congresswoman Nanette Barragan, was invaluable in the face of COVID-19 and is a shining example of what the public and private sectors can do together when faced with an unprecedented challenge. Prime Healthcare fought to continue care and expand access. Prime brought resources, technology and staff from across the country to help during the pandemic. St. Francis expanded critical care and emergency capacity, partnered with EMS and the County, welcomed a FEMA team, cared for the sickest and treated more COVID-19 patients than nearly all other hospitals in Southern California. Caregivers and staff worked selflessly to care for patients and their families.

Today, St. Francis Medical Center is thriving with a new electronic medical records system, enhanced cardiology and oncology services, expansion of behavioral health services, the addition of a new OB Emergency Department, advanced primary stroke center certification by The Joint Commission, Geriatric Emergency Department accreditation, and more.

St. Francis was recognized by federal, state and city officials on its one year anniversary as a member of Prime Healthcare.

"On behalf of the California State Assembly and the 63rd Assembly District, congratulations on your one-year anniversary. I commend you for your leadership, addressing the need for healthcare access, in a region impacted greatly by the COVID-19 pandemic. I look forward to many more years of quality healthcare for our community."

- Anthony Rendon, Speaker of the Assembly  
(August 26, 2021)
Environmental Factors

Improve your surroundings every day.
As a national health system, Prime Healthcare is committed to growing our environmental and sustainability practices to protect our planet and serve people in the healthiest way possible. Taking care of people is our promise. Taking care of our planet is our undeniable responsibility.

Prime Healthcare’s Sustainable Resource Initiative has driven its commitment to sustainability since 2015. An executive commitment to sustainability, carbon reduction, energy efficiency, and strategic commodity procurement has resulted in decreased carbon emissions, healthier communities, lower energy costs, and higher quality healthcare.

Prime has developed key drivers to guide our environmental program, addressing the areas of:

Our Sustainable Resource Initiative’s key drivers are:

1. Reduce Carbon Footprint
2. Increase Renewables and Decrease Grid Reliance
3. Reduce Consumption and Energy Costs
4. Increase Efficiency and Optimize Operations

10% of U.S. greenhouse gas emissions are from the healthcare sector. Healthcare ranks as the second most energy intensive sector.
As we evolve the healthcare landscape to a sustainable one, it’s important for all sectors of healthcare move forward together. Prime Healthcare is focused on addressing the below risk categories for short- and long-term sustainability.

**Supply Chain**

Prime is committed to leading our communities in reducing greenhouse gas emissions. And, the single largest contributor to healthcare-related greenhouse gas emissions is the supply chain. In order for healthcare to have a reliable source of necessary goods, the entire supply chain must move toward readily available, reliable, compliant, and cost-effective sustainable offerings. Prime Healthcare also believes in making environmental sustainability an integral part of its commitment to improve supplier diversity.

Prime’s long-term goal is to work with our supply chain to ensure their practices meet environmentally friendly standards.

**Cost Increases**

Hospitals spend more than $10 billion annually on utilities. Adoption of renewable energy, onsite generation systems, and efficiency improvements are capital intensive.

While costs may increase, it is important to evaluate against the long-term benefits of sustainable practices, not only for the healthcare system at large but the local community and patients.

To minimize cost impacts, Prime Healthcare has identified and implemented energy projects with a lifetime project savings of:

- **$58.86M** in total cost savings
- **$4.1M** in annual savings

**ENVIRONMENTAL EXCELLENCE AWARD 2021**

Prime Healthcare received the Stryker Corporation Silver Award for outstanding performance in environmental sustainability and improving overall hospital quality through medical device remanufacturing and processing.
CLIMATE TRANSITION RISK

Regulatory Burdens
More states and local agencies are mandating energy benchmarking, energy efficiency improvements, and renewable energy adoption. The long-term effects may be beneficial, but the short-term effects can be impactful and must be properly managed.

Compliance
Assembly Bill 802 and similar state and local mandates created annual, statewide benchmarking, auditing, and public disclosure programs. Through EnerVisor Software and proper management, Prime Healthcare’s facilities are being audited and benchmarked for all utilities, where applicable.

Green
In California, Senate Bill 100 set a world-leading precedent by committing to 100% clean energy by 2045, speeding up the state’s timeline for carbon-free power sources.

To aid in the state’s move toward green energy and demonstrate its commitment to sustainability, Prime Healthcare has procured over 1MW of onsite solar energy. 1MW equates to the same amount of electricity consumed by up to 900 homes in a year.

Evaluations are underway for additional MW’s of renewable resources, with fuel cells and battery storage being studied across Prime Healthcare’s portfolio.

Lagging Technologies
The energy technology landscape is rapidly evolving as the need for cost effective, clean, and reliable sources grow. Healthcare requires tried and true technologies and can rarely test pilot technologies due to patient safety concerns. Prime Healthcare thoroughly vets every project to make sure it meets our key drivers, provides short- and long-term benefits, and is a reliable technology.

We commit to act, because not acting:
• Can negatively impact daily operations as the grid becomes more unreliable
• Will result in higher energy costs as utilities continue to increase rates
• Can mean a loss of long-term reliability and redundancy
In 2021, the U.S. experienced billion-dollar weather and climate disasters according to National Oceanic and Atmosphere Administration (NOAA).

This includes winter storms, wildfires, droughts, heat waves, and floods. The diversity of events is also expanding, which means healthcare needs to have even more preparation as it braces for the future.

Prime Healthcare is increasing its energy independance, increasing its campus and facility reliability, and preparing for the growing physical risks:

**Seismic Compliance**
We have been evaluating seismic considerations for decades as regulations change. This includes retrofitting existing facilities or building new facilities to meet seismic regulations. All California hospitals in Prime Healthcare are in seismic compliance until 2030.

**Back-Up and Emergency Power**
As we push for greener solutions, we need to address back-up generators running on fossil fuels and how they may negatively impact the patient community and environment. Prime monitors technology and regulatory advancements that may allow for future technologies to supplant back-up generators with cleaner, constant sources of electricity.

Prime Healthcare looked to alternative solutions when it was time to replace backup generators for a critical IT data center at Centinela Hospital Medical Center (Inglewood, California). In lieu of traditional back up generators, Prime employed a solid oxide fuel cell that was cleaner, provided reliability, and provided lower cost electricity to the data center.

In August 2022, power to the Centinela Hospital Medical Center (pictured below) IT data center was lost. However, because of the fuel cells, data was unaffected and protected because of this backup power.

Centinela Hospital Medical Center in Inglewood, California
SEVERE WEATHER EVENTS: A CASE STUDY

Texas was declared to be under Federal Emergency Declaration Status on February 14, 2021 due to a major power crisis which resulted from several severe winter storms sweeping across the United States. The storms triggered the worst energy infrastructure failure in Texas history, leading to sub-zero temperatures and shortages of water, food, and heat. More than 4.5 million homes and businesses were left without power.

Prime Healthcare's facilities throughout Texas worked around-the-clock to ensure there was adequate fuel for back-up generators and other emergency supplies. The hospitals remained operational with uninterrupted patient care, and no patients were turned away.

While hard freezes are unexpected, especially in the Rio Grande Valley, Prime Healthcare's emergency management planning for hurricanes and other disasters helped prepare the facilities for the unusual event. Specifically at Prime's three facilities in the Rio Grande Valley (Mission Regional Medical Center in Mission, Texas; Harlingen Medical Center in Harlingen, Texas; and Knapp Medical Center in Weslaco, Texas), administrative planning and daily huddles, coupled with implementing emergency procedures, helped limit the impact. The hospitals declared a "Code Yellow" for both the severe weather and the COVID-19 pandemic. Elements of the Emergency Operations Plan were initiated, and the hospitals stood ready to respond.

Emphasis was placed on keeping staff informed of the situation and apprised of policies, as well as potential needs for additional shifts, tasks, and decreases in resources and supplies due to weather. Staff were encouraged to report any concerns about patient safety, patient needs not being met, concern about safe discharges, etc., to hospital leadership. Communication was considered crucial during the event. Many employees lost electricity in their homes for four to five days, while others lost water service. Employees who weren't able to shower at their homes showered at the hospitals. Prime hospitals provided tips for coping with the situation with suggestions provided by licensed professional counselors. Ultimately, Prime Healthcare hospitals were prepared to serve as safe havens in the storm, ensuring the health and safety of their communities.
Reducing greenhouse gas has been a key focus for years. Managing and improving the electricity and natural gas we purchase and use on our facilities is ongoing.

Prime Healthcare was among the first healthcare facilities in the nation to install a solid oxide fuel cell at Chino Valley Medical Center in Chino, California. This reduced our carbon footprint while also lowering utility costs and providing reliability and signaled the beginning of a long-term strategy that has seen five other fuel cells, two solar PV carport shade structures, and a cogeneration system (the simultaneous production of electricity and heat) installed across our campuses. Prime continues to evaluate further applications for renewable energy systems.

By installing these systems, Prime Healthcare increased its facilities' electric reliability and quality, reduced costs, and decreased its carbon footprint and reliance on grid electricity - which traditionally uses fossil fuels.

Avoids Annual Greenhouse Gas Emissions From

- 183 passenger vehicles
- 79.1 homes’ electricity use
- 931,694 pounds of coal burned

- 239 passenger vehicles
- 165 homes’ electricity use
- 1,221,354 pounds of coal burned

- 80 passenger vehicles
- 72 homes’ electricity use
- 412,791 pounds of coal burned

With a focus to lower emissions, carbon footprints, grid reliance, and utility costs, Prime Healthcare is continuing to evaluate further applications for solar PV (Photovoltaic), battery storage, and fuel cell technologies.
Prime Healthcare has identified and implemented enough energy consumption reduction projects to avoid 20,012 tons of carbon dioxide emissions annually.

20,012 tons of carbon dioxide is equal to:

• 3,912 gasoline-powered vehicles driven for one year
• 20,086,395 pounds of coal burned
• 42,032 barrels of oil consumed
• 2,208,371,180 smartphones charged
• 2,042,824 gallons of gasoline consumed

The reductions have been achieved through:

1. Internal and External LED Lighting
2. Quick Wins and Operational Improvements
3. HVAC, Controls, Insulation, Plant Upgrades, Etc
4. Domestic Water Efficiency
5. Renewable Energy and Onsite Generation

Prime Healthcare has an ongoing plan to evaluate and improve our water usage at each facility, especially in drought-stricken areas such as California.
Putting strategy into practice, Prime Healthcare was able to realize reductions in energy and water usage, positively impacting its carbon footprint and reliance on fossil fuels.

25,517 MWh Reduction (Electricity)

289,011 Dth Reduction (Natural Gas)

14,384 KGal Reduction (Water)

Reduction Equates To

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<thead>
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<th>Reduction Equates To</th>
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<tbody>
<tr>
<td>• Emissions avoided from 3,912 gasoline passenger vehicles driven for one year</td>
</tr>
<tr>
<td>• Charging 2,208,339,409 smartphones</td>
</tr>
<tr>
<td>• 2,287 homes' energy use for one year</td>
</tr>
<tr>
<td>• Emissions avoided from 3,295 gasoline passenger vehicles driven for one year</td>
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<tr>
<td>• Charging 1,860,107,285 smartphones</td>
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<tr>
<td>• 1,926 homes’ energy use for one year</td>
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<tr>
<td>• Water used by 133,185 CA residents in one day</td>
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<tr>
<td>• 21.79 Olympic sized swimming pools</td>
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</table>
Social Factors

Serve with compassion and integrity.
The events of the past year – everything from the COVID-19 pandemic and social unrest to natural disasters – have highlighted the inequities in our social systems. Through it all, we’ve witnessed the inspirational courage of our healthcare heroes as they care for all those in need, from all walks of life. Their stories have both inspired us and awakened us to the important work we must accomplish to care for our people as we help our communities address and recover from these challenges.

Prioritizing our employees’ health and wellness and creating an engaged and empowered workforce is key to Prime Healthcare’s success, longevity, and growth.

Fostering a diverse and Inclusive culture: diversity, equity and inclusion

Prime Healthcare recognizes the importance of diversity in its workforce and is committed to equal opportunity for all applicants and employees. We value the importance of creating an environment in which all of our employees, with their diverse backgrounds and identities, can feel valued, included, and empowered.

Each employee’s uniqueness provides a diverse perspective, and we invite all employees to be their best self, engaging and collaborating with each other to achieve health and well-being for themselves and those we serve.

Our goal is to foster an environment that is an incubator for great service, is attractive to the best talent, and that creates a profound sense of belonging and pride. We provide employees with educational opportunities that include DEI & Allyship leadership and staff level trainings and Patient Centered Care for LGBTQ+ Patients; LGBTQ+ Patient: Bringing Allyship to the Bedside; and LGBTQ+ Benefits Resources. Prime Healthcare maintains robust policies prohibiting discrimination on the basis of race, national origin, religion, age, gender, sexual orientation, and military service (among other categories), has multiple avenues for employees to report concerns, and promptly investigates and addresses any concerns that are reported.

Prime Healthcare’s commitment to understanding a patient’s social determinants of health combined with our consistent DEI initiatives for employees are important for patient experience and better health outcomes, and key for retaining qualified, engaged employees.
Staff Training and Development

We inspire our people to be the best they can be. Prime offers formal training programs and other opportunities through mentoring that empower our people across the country and support their career goals. From academic partnerships to the PrimE-Academy and Healthstream modules, we are invested in our employees and their growth.

Mental Health and Wellness

Effects of the pandemic combined with an increasingly competitive labor market mean that employers must care about responding to the mental health and wellness needs of their employees.

“In Prime Health” is an app that was developed by Prime that includes helpful podcasts, wellness resources, spiritual care messages, a direct dial to an Employee Assistance and Suicide Hotline and more. Podcasts include some of Prime’s Spiritual Care Services leaders who promote peace and resilience.

Patients, family members, volunteers, and healthcare staff can call a Code Lavender when a stressful event or series of stressful events occurs in the hospital. Programs such as gratitude education, therapeutic education, resiliency training and more are offered to all staff members. Hospitals have formed their own Mental Health and Wellness Committees to address local needs and offer resources such as yoga, free music, meditation rooms and more.

Caring for Our Prime Family

Employee Health Plan. Prime is nationally recognized for the quality of care we provide to our patients. We are honored to bring that same care to our employees through our self-funded employee health plan. The Prime EHP is an Exclusive Provider Organization (EPO) composed of a robust network of that includes all Prime medical groups, hospitals, and facilities, as well as carefully chosen contracted providers. Prime offers one of the nation’s best employer health plans because it provides comprehensive medical benefits at little or no cost to our valued employees and their loved ones. The EPO Plan covers 100% of preventive care and most inpatient and outpatient hospital-based services at little to no cost when delivered within our Prime Healthcare network.
Reflecting our communities.
Prime Healthcare’s workforce represents the diversity of the more than 600 communities we serve across the United States.
Prime’s **Mission** does not end at its own borders.

In response to an overwhelming surge of COVID-19 cases in India, Prime Healthcare sent desperately needed humanitarian aid, medical equipment and supplies for immediate distribution. Shipments included nearly 1,500 oxygen concentrators and other medical aid.

The COVID-19 pandemic has united us as a world and providing relief to India addresses a humanitarian crisis, extends our mission of saving lives beyond our own nation, and aids in global efforts as we bring an end to this pandemic.

Prime’s hospitals in the northeastern United States, Saint Michael’s Medical Center in New Jersey, Saint Clare’s Health in New Jersey and Lower Bucks Hospital in Pennsylvania, showed their support for Ukraine. The hospitals donated critically needed hospital and medical supplies to provide immediate support to the people of Ukraine, including contributing toward the massive humanitarian effort to help those fleeing the war.

**Saint Michael’s (in New Jersey) donates much needed medical supplies to Ukraine.**

**Saint Clare’s Health (in New Jersey) donates over 750 pounds of hospital and medical supplies to Ukraine.**

**Oxygen concentrators.**
Prime Healthcare acted quickly and decisively to keep workers safe throughout COVID-19, slowing the spread of the virus while maintaining a supportive and productive work environment.

Remote work policies were put into place while workspaces were reconfigured for those working onsite. As stated in the President's National Strategy for Pandemic Influenza, all stakeholders must plan and be prepared. An extensive Playbook was developed by the Corporate COVID-19 Task Force, and Prime Healthcare hospitals and affiliated clinics used this Playbook and the Task Force’s guidance to help identify safety risk levels in workplace settings and appropriate control measures.

Celebrating Our Heroes
Prime Healthcare thanks our teams for their heroic efforts today and every day. This video celebrates our healthcare heroes across the country.
Resilience through COVID-19 and Vaccine Distribution.

Throughout 2021 and to date, Prime Healthcare administered more than 250,000 doses of COVID vaccines at clinics across the country, an effort that continues as we strongly encourage all residents who are able to receive the vaccine and boosters and do their part to stop the spread of the virus. This remarkable effort by Prime’s nearly 50,000 physicians and employees is an extension of Prime’s commitment to serving communities and providing compassionate, quality care to all patients.

At the start of the pandemic, Prime assembled a multidisciplinary COVID-19 Task Force comprised of Corporate leaders in a variety of disciplines. Led by the Corporate Chief Medical Officers, the Task Force provided guidance and support to Prime’s hospitals of ever-changing policies and procedures, timely communications, infection prevention, tracking mechanisms, staff preparedness, clinical resources, testing protocols, and more. Prime Healthcare’s Corporate Supply Chain team established a warehouse to store essential personal protective equipment (PPE), such as gowns, gloves and N95 masks to deploy to our hospitals during their PPE shortages.

Though this year has brought some reprieve for overburdened hospital COVID-19 units, surges with new variants can cause reinfections and hospitalizations to increase. Prime Healthcare urges people to continue to take precautions to reduce exposure to the virus.

To date, Prime Healthcare has tested and cared for more than 700,000 patients with COVID-19.

From establishing screening zones and tents to creating critical care overflow units and implementing the use of reusable PPE, Prime united with our communities to keep one another safe.
Just as Prime Healthcare ensures a safe environment for patients that supports blame-free reporting of safety events, **Prime Healthcare provides a safe workplace environment for its employees. Prime Healthcare maintains an effective injury and illness prevention program, ensuring that employees are trained and have safe tools and equipment to perform their jobs.**

Prime’s injury prevention program reduces workplace injuries and illness. A primary tool is employee training and education. Prime employees must complete courses in workplace safety consisting of five main areas of training and education. All courses in the safety program include a time for review and testing for course comprehension.

### INFECTION CONTROL

The spread of infectious disease to hospital staff is a serious concern in the healthcare environment. To address this concern, Prime requires mandatory training prior to beginning work in any facility, educating new employees in the use of personal hygiene habits and the use of personal protective equipment to reduce the risk associated with infectious disease. Each employee is educated to understand that contact with patients or other employees without the proper use of these primary tools may cause work-related illness leading to lost time from the job.

Prime has a structured program for prevention of occupationally acquired infections, based on Centers for Disease Control guidance and OSHA standards, which includes TB surveillance, respirator fit-testing, and immunizations. Comprehensive written plans are in place related to Bloodborne Pathogens, Tuberculosis, Respiratory Protection, Ebola, and COVID-19.

The **Corporate COVID-19 Taskforce**, launched in March of 2020, remains active, facilitating timely implementation of updated guidance, and supporting facilities that are experiencing surges or supply chain interruptions. While Prime’s hospitals often exceeded 100 percent capacity during the height of COVID-19, no patient in need of care was turned away at Prime facilities, which are well prepared to ensure the safety of patients, physicians, employees and visitors despite critical staffing shortages experienced throughout the country.

Interim policies for prevention and management of Monkeypox exposures are in place and will be updated as the CDC guidance evolves.
**PERSONAL SAFETY & SECURITY**

Employees are educated on proper techniques in recognizing and handling of violent/aggressive behavior in patients, or others, whom they may encounter. Employees are also trained in responding to active shooter scenarios.

**ERGONOMICS**

Workplace-acquired musculoskeletal injuries are a leading cause of lost workdays. Prime’s training program provides employees with an understanding of proper body mechanics, including proper lifting techniques and correct workplace ergonomics. An important part of this education is ensuring employees know that asking for help in situations where heavy lifting is required is the right thing to do. Prime also provides expert ergonomic assessments.

**WORKPLACE INJURY AND ACCIDENT REPORTING**

It is Prime’s policy that all workplace accidents be reported and investigated, whether or not such incident results in an injury. Through this reporting and investigation process, the root cause of accidents and/or injuries may be determined, and corrective actions taken to prevent the same or similar type of incident in the future.

**ENVIRONMENTAL HAZARDS**

Infections are not the only environmental hazards in the healthcare workplace. Other potential environmental hazards include the use of oxygen, radiation exposure via imaging technology, medical waste, electrical hazards, fire, and the use or handling of other hazardous materials. Prime employees are trained to recognize these hazards and educated in the proper use of, handling of, or avoidance of improper contact with these hazards.
Expanding patient access through strategies in redesigning how, when, and where care is delivered.

To improve patient care and access, Prime Healthcare thinks beyond traditional care models and adopts innovative strategies in redesigning how, when, and where care is delivered. The COVID-19 pandemic continues to spur innovation and highlight the need for more efficient use of resources to expand access to care for our patients. This means Prime’s patients receive health care and service in an effective, convenient, and secure way—in-person and virtual care—and have access to solutions such as self-scheduling, telehealth, remote patient monitoring, bill-pay, and price transparency tools.

• Ambulatory Surgery

Advances in clinical approaches and technology, as well as minimally invasive surgeries, have enabled some procedures to be performed safely in an ambulatory setting. Importantly, patients want improved access at a lower cost, and are often choosing to receive care outside the hospital setting.

Prime has been dedicated to providing clinically excellent acute care services to communities for more than 20 years. Now, we are further extending that dedication to patients through the growth and formation of ambulatory surgery centers. Prime’s outpatient growth strategy provides physicians with convenient locations to perform same-day surgical procedures. Prime has established ambulatory surgery centers in markets where it has an existing clinical presence. Current locations include Southern California, Missouri, Kansas, Texas, Michigan, and Nevada. Over the next year, Prime intends to joint venture with more ambulatory surgery centers to ensure efficiency, appropriate care for patients, and significantly reduce healthcare costs.

“We want to be part of the solution in reducing healthcare expenditures while always providing the right care and the right time in the right setting.”

— Dr. Ali Zadeh, Corporate Director of Ambulatory Surgery
• **Rural Health Clinics**

A healthy community includes our growing commitment to rural healthcare. People living in rural areas often encounter barriers to healthcare that limit their ability to obtain the care they need. Access to affordable, quality healthcare is important to us all – in body, mind and spirit. Access improves our quality of life, avoids preventable deaths, and extends life expectancy.

Quality care can be harder to attain in rural areas than in urban or suburban areas. Often, patients living in rural communities hold off on addressing their health care needs because trying to access services can be challenging. As part of our effort to build healthier communities, establishing rural health clinics is one of Prime’s primary growth strategies. Prime has a dedicated team focusing on the development and management of rural health clinics in various markets, beginning with California, the midwestern United States, and Texas.

• **Urgent Care Clinics**

Prime Healthcare established a partnership with Carbon Health, a leading national urgent care provider. The collaboration redefines care delivery with Carbon Health’s modern urgent care clinics and Prime’s award-winning community hospitals. Patients are provided more options, allowing them to easily access care through virtual and streamlined in-clinic visits. The result is a more efficient, accessible and coordinated network; the introduction of telehealth; and improved healthcare outcomes.

Prime Healthcare’s mission is to deliver personalized healthcare to all patients based on their needs, whether in hospitals, physician offices, urgent care centers or through virtual visits.
The past two years fundamentally changed the way health systems operate, requiring new products, services, processes, and business models. Innovation can improve cost, quality and access. Following are examples of Prime innovation.

- **PrimeHealthNow** is a new program that delivers a personalized and automated digital patient communication experience that’s convenient and efficient, addressing the evolving healthcare needs of consumers. PrimeHealthNow will expand our care offerings, increase efficiency, and improve patient, provider and staff experience. Some innovative features include Digital Front Door and Virtual Visits, Patient Bi-directional Communications and Chatbot, Online Scheduling, and Reputation Management.

- Prime Healthcare has developed innovative tools in-house such as **Prime Rounds** for leadership, physician, and staff rounding to collect actionable insights that will lead to improved clinical outcomes and patient experience; higher rates of employee satisfaction and loyalty; ability to attract and retain talent; and a culture of continuous improvement.

To further enhance the patient experience, **Coach Rounds** is an innovative application to track and trend data collected by the Patient Experience coaches during their facility visits. These reports enable the corporate Patient Experience team to make changes to improve the staff experience and patient experience systemwide.

New data from a 2022 survey by the Harris Poll finds:

81% of Americans believe the ability to schedule appointments online would make the scheduling process much easier.

79% of Americans want the ability to use technology when managing their healthcare experience.
Prime Healthcare is a leader in caring for older adults.

**Twenty-five Prime hospitals are accredited as Geriatric Emergency Departments by the American College of Emergency Physicians (ACEP), and recently Prime Healthcare was the second system in the nation to receive systemwide GEDA Accreditation.** Prime is deeply committed to providing a high standard of care that meets the unique healthcare needs of older adults. Senior-focused Emergency Departments include team members with special training in geriatric medicine and offer design elements that provide improved acoustics, safety and comfort for our elderly patients.
• **Telehealth** can make care more equitable and accessible, including to those individuals in medically underserved communities. In hospitals in Texas, Ohio and Kansas, tele ICUs provide needed critical care for rural hospitals. In Prime Healthcare’s Dallas market, remote patient monitoring is provided for high risk patients. In New Jersey, Prime created a Comprehensive Stroke Coverage Network using teleneurology.

• **Behavioral Health Expansion:** Prime Healthcare continues to provide a continuum of evidenced based behavioral health services that address the unique needs of each community we serve. Through inpatient programs, telehealth visits, partial hospitalization, and outpatient care, Prime is dedicated to partnering with patients to help them live their fullest life. Our teams collaborate with patients to develop a plan that best meets their needs, and actively treat mental health crises with medications, one-to-one support, and therapeutic groups. Our goal is to help patients stabilize so that they can return to their daily lives and receive needed ongoing care and support in the community.

Prime offers quality behavioral health services in over 25 locations throughout the country. Many programs are multifaceted, offering a continuum of services that can provide transition to the most appropriate level of care from outpatient and partial hospitalization programs to telehealth. In looking toward the growing aging population, Prime is expanding geriatric behavioral health services through the addition of inpatient beds designed to meet the unique mental health needs of seniors.

• **Prime Behavioral Health:**
  - 78 substance use disorder beds
  - Over 741 inpatient psych beds including adult and geriatric beds
  - Multiple outpatient and partial hospitalization programs
  - Telehealth
  - Voluntary and involuntary behavioral health services
Recognizing the factors that create an individual's unique circumstance is key to good health.

Prime Healthcare recognizes that one's environment, economic stability, access to quality education and health care, and social relationships, comprise a person's Social Determinants of Health (SDoH). Prime Healthcare was recognized nationally by The Joint Commission for its groundbreaking initiatives in social determinants of health. And, The Lown Institute Hospitals Index recognized Prime Healthcare for social responsibility and cost efficiency. Tailoring treatment methods to reflect a person's background and unique needs improves health equity and helps patients thrive.

Prime Healthcare's approach to patient care is founded in individual's SDoH. Physicians and other clinicians foster shared decision-making with their patients by discussing their social challenges. From this background of work, Prime Healthcare has created a screening tool that identifies a patient's SDoH needs and risk factors from which their caregivers can proactively provide thoughtful, compassionate care. This yields better patient outcomes and helps reduce hospital-wide readmission rates.

Listen to Prime Healthcare's Vice President of Quality and Value-based Care, Ahmad Imran, MD, MBA, discuss Prime's award-winning solutions to reducing all-cause hospital-wide readmissions by addressing patient needs based on social determinants of health in The Joint Commission's Take 5 podcast.
Where Care matters most.

Prime Healthcare offers programs that address social determinants of health from coast to coast. Partnering with government agencies, organizations and universities, Prime commits to caring for communities. Activities include:

- Health Benefits Resource Center linkages to government health insurance programs and enrollment/utilization assistance
- Community health screenings that address heart health, obesity, chronic illness, diabetes
- Monthly classes and health screenings and education that directly address stroke
- Career Days to generate awareness and enthusiasm for jobs that lead to self-sufficiency and fulfillment
- Care Kits that include toiletries, socks, and inspirational messages
- Thanksgiving Community Collections to help families struggling with food insecurity
- Wellness screenings that include blood panels that patients can take to their physician for review

Healthy Nutrition/Fighting Hunger

Mission Regional Medical Center in Mission, Texas partners with the Mission School District to implement healthy food policies to ensure that the school district’s nearly 16,000 students receive good nutrition. Mission’s Food Services Department participates in all community health fairs and events to promote the importance of healthy nutrition.
The Prime Healthcare Foundation

Established in 2006, the Prime Healthcare Foundation, a 501(c)(3) public charity, includes 14 hospitals in California, Texas, Ohio, Georgia, Pennsylvania, and Rhode Island, and is dedicated to providing quality, compassionate healthcare and serving communities through charitable and educational initiatives. The Prime Healthcare Foundation has more than $1 billion in assets and has provided more than $2.7 billion in charity care, sponsoring local and global initiatives to improve the lives of others.

In 2018, the Prime Healthcare Foundation founded the California University of Science and Medicine to train the next generation of physicians to serve disadvantaged communities in California and throughout the world. The university, located in San Bernardino County, graduated its inaugural class of MD students in May 2022.
Medical Education: The Next Generation of Healthcare Leaders.

As we emerge from the most significant public healthcare challenges of the last century, the critical role of healthcare systems and their workforce has never been more apparent. As COVID-19 develops into more of an endemic disease, we continue to process the important lessons learned regarding educating our future healthcare workforce.

Prime Healthcare’s vision goes beyond providing high quality, compassionate care to the patients we serve today, but also toward ensuring that those patients have access to enough highly trained physicians tomorrow. That is why Prime Healthcare Foundation invested more than $60 million into establishing one of California’s newest medical schools, the California University of Science and Medicine (CUSM).

Established in 2018 in San Bernardino County, one of the most underserved areas of the state, CUSM graduated its first cohort of 62 physicians in May 2022. The ceremony featured a $10 million donation to the school from the Prime Healthcare Foundation, a commencement address from Dr. Sanjay Gupta, Chief Medical Correspondent for CNN, and a video address from California Governor Gavin Newsom and First Lady Jennifer Siebel Newsom. Many graduates are from the Inland Empire region of Southern California, are from historically underrepresented groups, and are first in their family to attend college, bringing unique cultural competencies and local roots to their respective fields of practice.

“But humble. You are about to become the most important person in countless people’s lives, strangers to you now, but soon, people with whom you will share some of the most profound relationships of your life. It really is an enormous privilege to care for another human being at their most vulnerable time, to restore them to health when their bodies have betrayed them.”

— Dr. Sanjay Gupta
Chief Medical Correspondent for CNN
Inaugural Commencement Speaker
Coupled with Prime’s growing residency programs, which include **12 training specialties** at its hospitals in Southern California, Ohio, New Jersey and beyond, Prime Healthcare is doing its part as a responsible medical system in addressing the **nation’s physician shortage**. Through training the next generation of physician leaders, Prime is ensuring health equity and access for communities for generations to come.

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<tr>
<th>Internal Medicine</th>
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<td>Obstetrics/Gynecology</td>
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Residents at Saint Michael’s Medical Center in Newark, New Jersey
Saint Michael’s Medical Center Resident Raises COVID-19 Relief Funds for Native India

Dr. Manogjna Prasad, a resident at Saint Michael’s in Newark, New Jersey, arrived in America from her native India to get critical medical training just as the COVID-19 pandemic hit. But on a warm summer day in downtown Newark, she made sure to do her part to fight the virus back home.

“This cause is really important to me not only because I’m a frontline worker, but because I lost a lot of family and friends to COVID,” said Dr. Prasad, a rising second-year resident at Saint Michael’s Medical Center in downtown Newark.

Throughout 2021, COVID-19 raged largely unabated in many parts of India, a South Asian nation of 1.4 billion people. Indian hospitals ran out of beds and life-saving oxygen. People died outside hospitals, in parking lots, and at their homes. Dr. Prasad’s family has been directly affected by these dire events.

“My father was very sick. He was fortunate enough to have oxygen, but a lot of my friends and family didn’t,” Dr. Prasad said. “They died because of a lack of resources.”

In response, Dr. Prasad was the driving force behind a march through downtown Newark. The residents made their way from the hospital to historic James Street, Washington Park, Broad Street, Central Avenue, and the Newark Museum of Art. A GoFundMe page was established for the effort. In five days, nearly $2,500 was raised for the COVID relief campaign. All funds went to Doctors Without Borders and then on to India.

Dr. Theodore DaCosta, director of medical education at Saint Michael’s, noted that social activism is as much a part of the medical learning process as anything else.

“Part of the learning experience is not only to help your immediate community, but everyone else,” said Dr. DaCosta, a gastroenterology specialist. “This is an educational process, a bonding experience working together as a residency program to help those in need at home and abroad.”
HUMAN CAPITAL

RECRUITMENT & RETENTION

Providing a work culture that’s fulfilling, purpose-driven, and socially responsible is vital to Prime Healthcare’s workforce development, recruitment and retention efforts.

People the world over are re-examining their life’s purpose, career goals, and day-to-day routines. Whether in our workplace initiatives, policies, or campaigns, current and potential Prime employees feel the impact of our values and corporate responsibility.

Prime Healthcare’s robust recruitment and retention efforts extend beyond pay to areas such as workplace culture, mentorship programs, onboarding and orientation experience, and more.

- Flexibility with staff schedules and worksite locations ensure the best possible work/life balance
- Recruitment and retention efforts include foreign nurse recruitment, virtual career fairs, weekly on-the-spot hiring events, digital marketing strategies, text and email messaging campaigns, live events at local schools and more.
- Care models have been revamped and new staffing models have been implemented
- Technology enhancements for recruitment include the use of Calendly for booking an appointment online with a recruiter, implementing RightSignature and Emprime 2.0 for electronic onboarding, electronic offer letters to improve time-to-fill rates, and more.
Governance Factors

Accountable for our actions and challenges.
At Prime Healthcare, our governance framework is a structure that holds our leaders accountable for continuously improving operations and financial performance.

Prime Healthcare’s Board of Directors consists of four independent Board members with varied legal, healthcare, corporate/private sector development, government, and educational backgrounds, and collectively over **120 years of extensive business experience**. Our Board of Directors is responsible for developing and reviewing the health system’s overall mission and strategy. The board guides the long-term goals and policies for the hospitals.

**Executive Management** oversees all aspects of corporate and clinical governance which includes caring for patients, managing clinical practices and administration. Business performance, compliance with laws and regulations, and ethics falls under corporate governance. Maintaining and improving the quality and safety of patient care falls under clinical governance.

**Clinical and corporate governance systems** are intrinsically linked, although each has its own objectives. For example, clinical governance requires staff to deliver measurable and effective patient care that is also reliable, consistent, and safe. Clinical goals incorporate structures that continually assess and monitor clinical risks to achieve the best possible outcomes for all those we serve.

**Corporate and clinical governance** work in concert to ensure that healthcare organizations achieve their business goals, ensure quality of services, and manage resources well. Healthcare organizations are expected to operate as ethical citizens would. Risk management is another area in which clinical and corporate governance are intrinsically linked.

**Prime’s Board of Directors** meet quarterly and is involved in the approval process of all material decisions impacting both clinical and corporate governance. Board meetings include presentations that review and discuss new business, financial, facility, clinical and compliance updates.
The Prime Healthcare Compliance Department is a trusted partner in fostering the highest levels of integrity, in accordance with ethical and legal standards. We believe that compliance is not just a department, but a responsibility of every member of Prime Healthcare.

In addition to detecting and preventing fraud, waste, and abuse, our Compliance Program also provides everyone at Prime, including providers, employees and those who conduct business with Prime, with resources to help guide, conduct and report concerns.

To promote compliance with laws, regulations and policies, Prime has established formal company-wide processes designed to monitor, educate, audit, correct and report noncompliance with fraud and abuse laws and licensing rules and regulations, which will help avoid civil and criminal penalties. The program is administered by the Compliance Department – which functions independently of Prime’s operations – and is headed by the Chief Compliance Officer, who reports directly to the Prime Healthcare CEO and Board of Directors.

At each Board of Directors meeting, the Chief Compliance Officer presents updates to the Board, which may include the following:

- Compliance Training status
- Reportable Events and Investigations
- HIPAA Privacy Breaches
- Policy and Procedure Development
- Exclusion Screening for Ineligible Persons
- Annual Risk Assessment and Compliance Work Plan
- External Audits
Prime’s Compliance Program is responsible for:

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<tr>
<th>Effective high-level oversight of the Corporate and Compliance Programs</th>
<th>Implementing written policies and Code of Conduct</th>
<th>Publicizing disciplinary guidelines for Compliance Program violations</th>
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<td>Conducting auditing and monitoring</td>
<td>Developing effective lines of communication</td>
<td>Conducting effective training and education</td>
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<td>Promptly responding to and working collaboratively on any required corrective measures</td>
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**COMPLIANCE, RISK MANAGEMENT, CULTURE & OVERSIGHT**
Prime’s Compliance Program includes:

**A Corporate Compliance Committee, consisting of interdepartmental leaders.** The Compliance Committee advises and supports the Chief Compliance Officer in the implementation of the Compliance Program. The Committee assists the Chief Compliance Officer in analyzing Prime’s risk areas, assessing policies and procedures affecting the Compliance Program, overseeing the monitoring of internal and external audits and investigations, evaluating and responding to potential complaints and concerns, and promoting and overseeing other efforts to carry out Prime’s commitment to corporate compliance. The Compliance Committee is also responsible for overseeing measures aimed at ensuring that Prime is in reasonable compliance with applicable laws and regulations and that it conducts its activities ethically. The Compliance Committee meets at least quarterly, and more often as needed.

**Initial and periodic compliance and ethics training.** Annually, Prime Healthcare develops a new Compliance Training Plan. The base of the Training Plan each year is mandatory General Compliance and HIPAA Privacy Training for all Prime employees. Also included is Physician Contracting and Payment Training for all staff involved in the negotiation, drafting, and execution of contracts with physicians and other referral sources or the approval of payments made to physicians and other referral sources. Focused training is then developed each year in reaction to potential risks. The current Training Plan includes focused education in the areas of billing and coding, Medicare patient status, conflicts of interest, role-based Privacy Officer training, and exclusion screening.

**Effectiveness reviews.** On an ongoing basis, Prime conducts internal audits and analyzes patterns of compliance incidents to determine effectiveness of policies and procedures and training modules. Areas for improvement are noted and mitigation efforts documented in the Compliance Work Plan.

**A toll-free hotline for reporting (without fear of retaliation) any suspected legal or ethical violations.** Prime’s Disclosure Program includes a Compliance Hotline managed by a third-party vendor and available 24 hours a day, 7 days a week. Under this mechanism, callers have the ability to report concerns anonymously. All calls are received by the Corporate Compliance Department and investigated in coordination with the appropriate subject matter experts. Prime strictly prohibits any retaliation against a caller who reports potential concerns.
Prime’s Compliance Program includes:

**Periodic “fraud and abuse” audits to review payments to physicians and other referral sources.** Each year, Prime conducts internal and external reviews of physician and other referral source contracts that were recently executed or renewed. Reviews test each contract for required Legal and business approvals, Fair Market Value documentation, and business justification. Additionally, a sample of payments made under these contracts is audited to ensure payments match contract terms and are supported by service and activity logs, if applicable.

**Periodic “coding audits”** to review hospital billing of the proper service codes in respect of obtaining payment from the Medicare programs. Ongoing internal and external audits are conducted of medical and billing records for paid claims to test coding accuracy and ensure documentation supports the primary and secondary diagnoses.

**Continuous monitoring of employees, physicians, contractors, and vendors to confirm eligibility to participate in federal healthcare programs.** Prime will not employ, contract with, or grant medical staff membership to any individual listed by a federal or state agency as debarred, excluded, or otherwise ineligible for participation in federal or state healthcare programs, or individuals convicted of a criminal offense related to healthcare. Prior to the employment, contracting with, or granting of medical staff membership to any individual, Prime checks for exclusions on state and federal lists. Afterwards, individuals are monitored against exclusion lists by a third-party vendor.

**Local Compliance and Privacy Officers at each hospital.** The Corporate Compliance Department has worked with each hospital CEO to identify the appropriate employees to serve as the hospital Compliance and Privacy Officers. These individuals are responsible for the implementation of the standard Compliance Program elements at their hospitals, with direct guidance and support from Corporate Compliance, who holds regular calls with hospital Compliance and Privacy Officers to provide training and guidance.
Annually, team members from Compliance, the Legal Department and other leaders develop and implement a centralized annual risk assessment and internal review process to identify and address potential risks. The risk assessment and internal review process includes:

| PHASE I | A process for identifying potential risks |
| PHASE II | A process for scoring the potential risks |
| PHASE III | Development and implementation of the Annual Compliance Work Plan |
| PHASE IV | Development of corrective action plans in response to internal audits |
| PHASE V | Tracking implementation of corrective action plans to assess effectiveness |

The result of the risk assessment is the Annual Compliance Work Plan. Examples of focus areas in the current Compliance Work Plan include:

- Physician Relationships
- Physician Leases
- Facility Compliance Officer Competency
- Coding and Billing
- HIPAA Privacy
Prime Healthcare is committed to ensuring compliance with all applicable laws, regulations, and policies governing our daily business activities. The Compliance Program is intended to further the day-to-day commitment that operations comply with federal and state laws, to provide guidance for all employees, and to serve as a mechanism for preventing and reporting any violation of those laws and regulations.

Prime’s ethical principles reflect the **values which promote honest and ethical conduct and emphasize:**

- Full compliance with both the letter and spirit of the law
- Delivery of high-quality healthcare services at fair prices that are reasonable and competitive
- Conducting all our relationships with integrity, being honest, truthful, trustworthy, and responsible in our professional and personal dealings
- Pursuing financial responsibility, stability, and growth, delivering a quality of earnings that meet the highest standards of legal and fiscal principles
- Serving as a positive influence and good corporate citizen in our communities
- Developing mutually beneficial partnerships with competitors, payers, and other providers of healthcare services, placing the good health of the community above personal or corporate gain
- Treating employees, customers and other hospitals and health systems fairly and with respect
- Timely reporting to Prime leadership of any illegal or unethical practices by employees, physicians, or agents

These ethical principles are not a moral judgment or a license to dictate the religious, political, or personal preferences of our fellow employees. Rather, these principles are a bedrock of professional and personal standards on which to anchor our business decisions and relationships. These ethical principles are founded in the time-honored tenets of being honest, loyal, industrious, fair, responsible, reliable and of service to others.
Prime Healthcare maintains a datasite where all public disclosures and reports are posted with access for investors, lenders, and business partners. Included in the datasite are:

- Published Quarterly and Annual Reviewed and Audited Financial Reports
- Quarterly and Annual Management Discussion and Analysis Discussion and Analysis of Financial Condition and Results of Operations Posted
- Quarterly and Annual Investor Earnings Calls Hosted
- Third-party Sample Testing and Performance Reporting of Key Compliance Measures
Cautionary Language

This report includes “forward-looking statements.” These statements relate to future events, including, but not limited to, statements regarding operational and strategic initiatives, as well as developments in legislation, regulation and the healthcare industry more generally. In addition, historical, current and forward-looking ESG-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

All of these statements represent management’s expectations, based on currently available information, as to the outcome and timing of future events, but, by their nature, address matters that are uncertain. Actual results, performance or achievements could differ materially from those expressed in any forward-looking statement. We assume no obligation to update any forward-looking statements or information subsequent to the dates such statements are made.