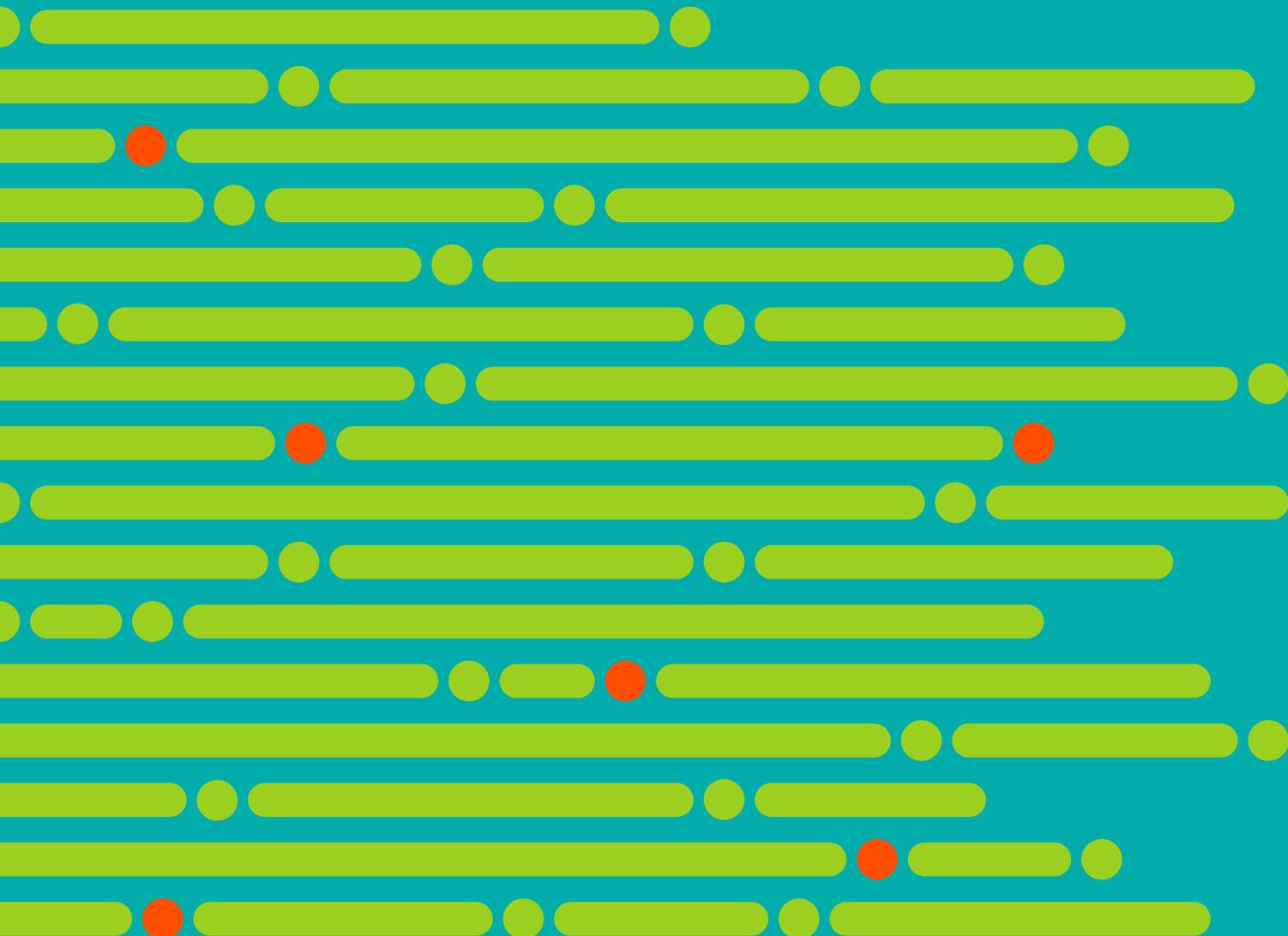


2016 Vizient Playbook





Curt Nonomaque

President and Chief Executive Officer
Vizient

Letter from Curt

It's a rare opportunity to be part of building a new company. It's a truly unique opportunity to build that company on the strengths of four industry pioneers. The recent combination of VHA, University HealthSystem Consortium, Novation and MedAssets' SCM and Sg2 segments brings together powerful capabilities that accelerate top performance in today's health care environment.

Providers today are being squeezed like never before. In an industry continually reshaped by economic, political and technological forces, both acute and nonacute health care organizations are challenged to achieve the best possible outcomes at a lower cost. These dynamics heighten the need for an integrated set of services that health care organizations can access to enhance their clinical, operational and financial performance.

As Vizient™, we have the insight and expertise to help them achieve their goals. As a newly combined entity, we are investing in our core capabilities—sourcing, analytic, advisory and collaboration services—and forging new paths. We are ensuring that members receive exceptional service and tailored solutions to meet specific performance needs.

This is a transformative opportunity within our industry to honor our past legacies and do even greater things for the future.

We are fortunate to work with the nation's most prestigious health care organizations, and we have tremendously talented employees who are working together to ensure that we deliver on our promise to employees, members, suppliers and the industry at large.

The Vizient team is a proactive partner for a diverse membership, connecting health care executives, clinicians and other professionals to the power of networks and best-in-class solutions.

By helping members perform at their best, we enable them to focus on what they do best: providing exceptional care for communities nationwide.

Again, we have a unique opportunity as Vizient, and I am excited about what we can accomplish together.

Who we are

Vizient is health care's largest member-driven performance improvement company, built on the strength of four industry leaders.

Together as one company, Vizient represents a new direction in health care—ready to drive innovation and accelerate growth for our members in order to improve the welfare of communities nationwide.

Further, as an enterprise of companies, we have the scale, breadth and depth to deliver exponential impact across the continuum of care and help members solve health care's most pressing challenges.



An enterprise of companies



Founded in 1997, ProvistaTM is a proven supply chain partner specializing in extended, diagnostic and preventive care facilities, including surgery centers, home health and senior living. Services go beyond contracts to include tailored procurement solutions.



Founded in 2007, Apexus[®] is the exclusive contractor for the 340B Drug Pricing Program, managed by the Health Resources and Services Administration. Apexus negotiates discounts on pharmaceuticals for low-income and uninsured patients.



Founded in 2011, aptitude[®] is the industry's first online direct contracting market. The platform supports self-contracting activity between hospitals and suppliers, leveraging data and technology to advance aspects of the health care supply chain.



Founded in 2001, Sg2[®] provides a unique blend of analytics, intelligence, consulting and education that enables health system leaders to integrate and prioritize strategic growth and performance opportunities across the continuum of care.

Our strategic direction

Our purpose and mission guide our strategy

Purpose – why we exist

To ensure our members deliver exceptional, cost-effective care

Mission – how we deliver on our purpose

To connect members with the knowledge, solutions and expertise that accelerate performance

Our strategy integrates the choices we have made

Strategic aspirations – our focused, multiyear objectives

Become an indispensable partner to health care organizations

- Connect members to enable learning, improving and building together
- Provide market-leading solutions that address the distinct needs of diverse members
- Create an extraordinary member experience

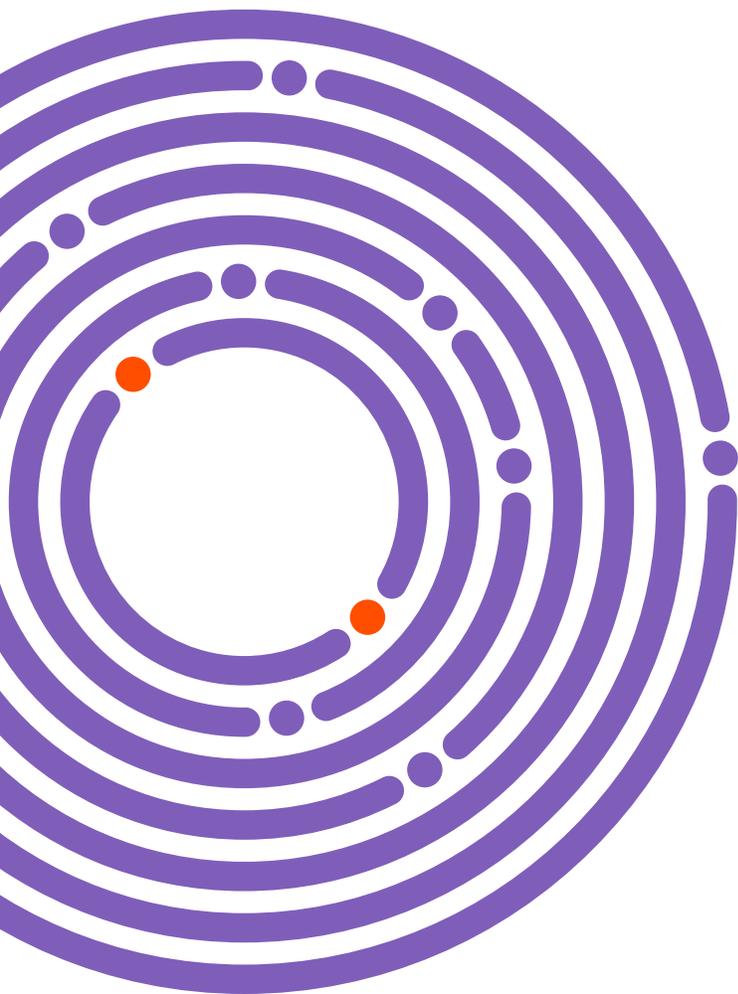
Become a leader in health care innovation

- Provide market-driven insights that anticipate and address member opportunities
- Repeatedly and reliably deliver innovations

Accelerate our growth rate

- Grow member value
- Grow membership
- Grow profitability

We fuel powerful connections that help members focus on what they do best: deliver exceptional, cost-effective care. We are successful when our members are successful.



Our values

In executing our strategy, we operate from a dynamic set of values that drive both the performance of our enterprise and the exceptional experience members expect from our organization.

These values represent the spirit of our legacy companies, and we hold them high in our daily interactions. In the coming months, we will review them to make sure they capture the essence of Vizient and position us for success in the future.

Permission-to-play values

Our baseline expectations

Simply put, you are here because you demonstrate these values

- **Respect:** Treat others as you would like to be treated
- **Integrity:** Be honest, ethical and trustworthy
- **Service:** Diligently meet the needs of others
- **Judgment:** Make wise decisions

Core values

Cultural cornerstones

These principles guide all of our actions and are never to be compromised. Together, they distinguish the type of partnership we provide internally among our leadership and employees and externally with our members

- **Collaborative:** Work together to achieve success
- **Adaptive:** Anticipate and embrace change
- **Resourceful:** Bring together the right expertise at the right time to achieve the right result

Aspirational values

Key to our future

These aspirations for daily interaction will drive our future success

- **Personal best:** Foster a shared commitment to unleash employee potential
- **Innovation:** Challenge convention to forge new paths and solutions
- **Partnership:** Utilize our collective wisdom and insights to guide our members
- **Aligned execution:** Nurture a unified network of employees, members and business partners to create value
- **Diversity:** Embrace and leverage the skills and cultural perspectives of others

Accidental values

Behaviors that limit our potential

We can work together to prevent behaviors that negatively influence interactions—and address them when they arise

- **Optional buy-in:** Agree without intent to follow through
- **Conflict avoidance:** Sidestep uncomfortable issues
- **Siloed thinking:** Pursue your own agenda at the expense of the enterprise
- **Being reactive:** Act without thoughtful planning, creating a false sense of urgency

Who we serve: our members

Vizient is a membership organization.

Our members are any health care provider organization that participates in Vizient programs and services. Today, our membership ranges from independent, community-based hospitals to large, integrated health care systems that serve acute and nonacute care needs. Additionally, many are specialized, including academic medical centers and pediatric facilities.

Individually, our members are integral partners in their local communities, and many are ranked among the nation's top health care providers. Still, by engaging with Vizient, each organization achieves more working together than they could on their own.

Meeting members where they are

Members choose Vizient based on their unique strategy and market situation, as well as our unmatched ability to meet a range of diverse needs:

- Some organizations are cost-focused and eager to achieve greater efficiency
- Others are on the path to value-based care and seeking new approaches to enhance clinical performance and improve patient outcomes
- In addition, with rising consumerism in health care, more organizations are mobilizing around a new market dynamic—choice—as they strive to expand their services in the community and manage the health needs of a broad population

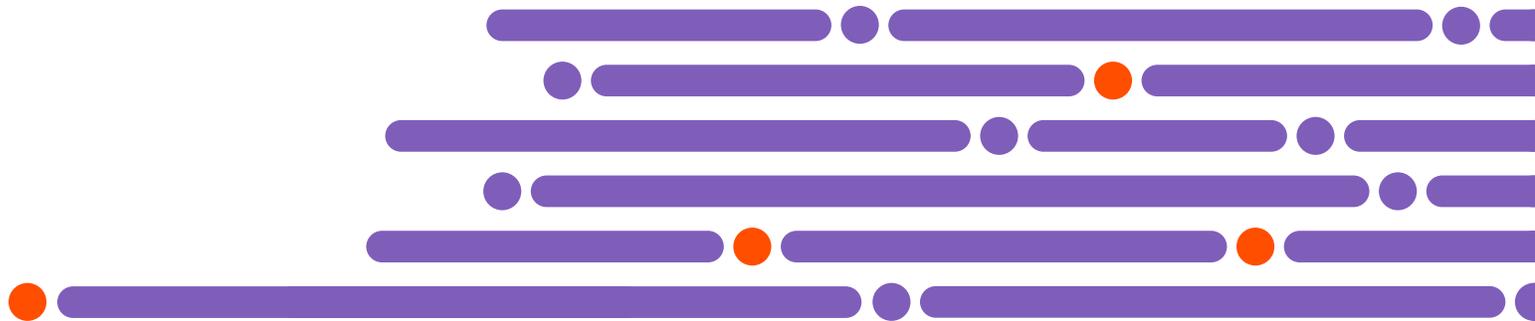
We shape our strategic direction, solutions and the innovations we pursue around our members' needs—today and in the future.

50%

Vizient serves more than 50 percent of the nation's acute care hospitals.

20%

Through Provista, Vizient represents more than 20 percent of the nonacute, ambulatory care market.



Members have different needs and preferences for working with Vizient. We commit to partnering with each organization to tailor solutions that generate the greatest value.

Standout strength: our employees

We are a purpose-driven organization committed to expanding possibilities in a bold, spirited way. Our employees—a talented force helping to drive better results across the health care system—are at the center of everything we do.

In building one Vizient, we connect individual passions and unite in a workplace where our values and identity come to life.

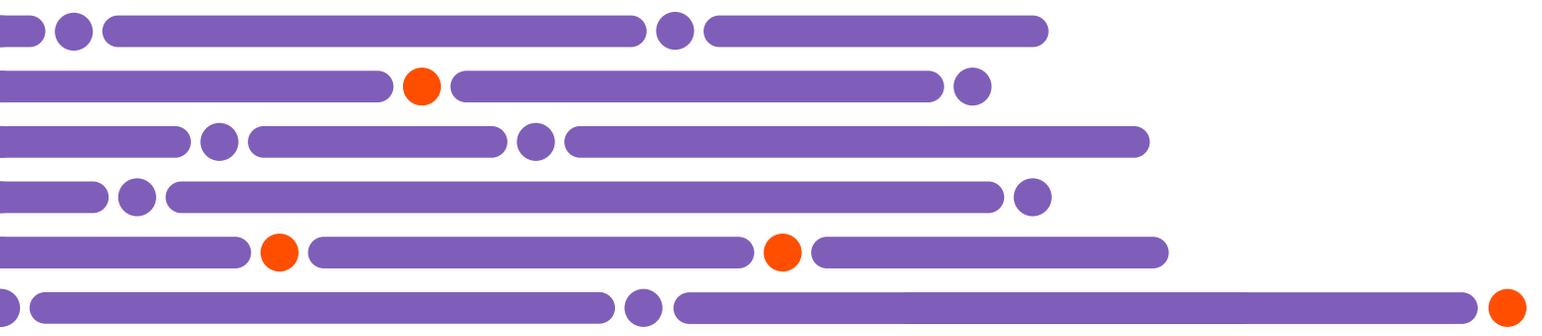
- Employees across legacy companies universally cite member service as a first priority. We value the role that health care organizations play in our communities and understand the daily demands providers face in balancing quality of care with cost of care. Consequently, we feel a personal commitment to helping members perform at their best.
- Employees also share a strong commitment to giving back—to local communities, charitable organizations and each other in times of special need. The sense of family is strong and unites us across teams and geography. We work to maximize the potential of others to promote longer, stronger, healthier living.
- Employees are proud of the heritage each legacy company brings into Vizient and are eager to continue the momentum. Our employees bring diverse experience and valuable expertise that enable us to elevate our work, ultimately bringing forward the best new approaches to benefit those we serve.

Vizient's unique culture and business aspirations culminate in the concept of brilliant connections.

This represents our promise to members and each other: that together we connect people, data, knowledge and insight to help health care organizations accelerate performance and improve people's lives.

For members, it heralds all the ways they can learn, improve and build together.

For employees, it honors the knowledge and perspective that each person brings to the company, fostering a culture of genuine partnership and continuous improvement.



What we offer: tailored solutions

Tomorrow's health care performance demands advanced thinking, smarter analytics and shared thought leadership. It requires connected data, investments and relationships.

Organizational capabilities

By linking proven strengths in sourcing, analytic, advisory and collaboration services, Vizient is able to provide tailored solutions to members that are unmatched in the industry.



Sourcing Services

Elevate members' supply performance by leveraging scale, workflow automation and expertise

- Broader, more competitive contract portfolio
- Data-driven contracting decisions
- Offerings that support the industry's most diverse membership and customers



Analytic Services

Be members' trusted source for clinical, safety, supply, financial and operational decision-making across the care continuum

- Comprehensive insights identify opportunities to improve:
 - Cost savings
 - Operational efficiencies
 - Clinical outcomes
 - Overall performance



Advisory Services

Accelerate improvement in member performance through the transfer of knowledge and expertise

- Unparalleled insights to improve the pace and effectiveness of value-based care
- Expanded breadth of advisory services
 - Physician strategies
 - Clinical redesign
 - Workforce solutions
 - Nonlabor strategies



Collaboration Services

Connect members to enable learning, improving and building together

- Empowering members to improve faster than they could on their own
- Advancing visionary innovation to meet the evolving needs of providers

Our commitment

Vizient connects members to solutions that boost quality and improve business to help deliver exceptional, cost-effective care.

Our expanded capabilities deliver the necessary scale in intelligence, data and purchasing to enable providers to address supply, clinical and operational improvements. In addition, an experienced client support team connects members to services ranging from transactional needs, such as contract purchasing, to fully integrated models with dedicated teams on-site.

Redefining “scale”

Scale matters—but not in the way we’ve historically thought about it. Traditionally, achieving economies of scale was linked to increased purchasing volume as a driver for cost savings.

This is still vitally important; however, our business is more than that. It’s also about helping members drive down costs within the context of providing high-quality care.

The new health care environment requires us to think of scale in a much different way. Scale associated with our

data, best practices and performance improvement is equally important to scale in purchasing volume.

The considerable insights we gain through our expanded membership help us evaluate products and services in a much more sophisticated way. For example, not only can we see purchases of a particular product, but now we can also analyze utilization in different clinical settings and determine which of those yield better outcomes.

Looking holistically, we create a path for providers to deliver higher standards of care.

Member spotlight

Valley Health System

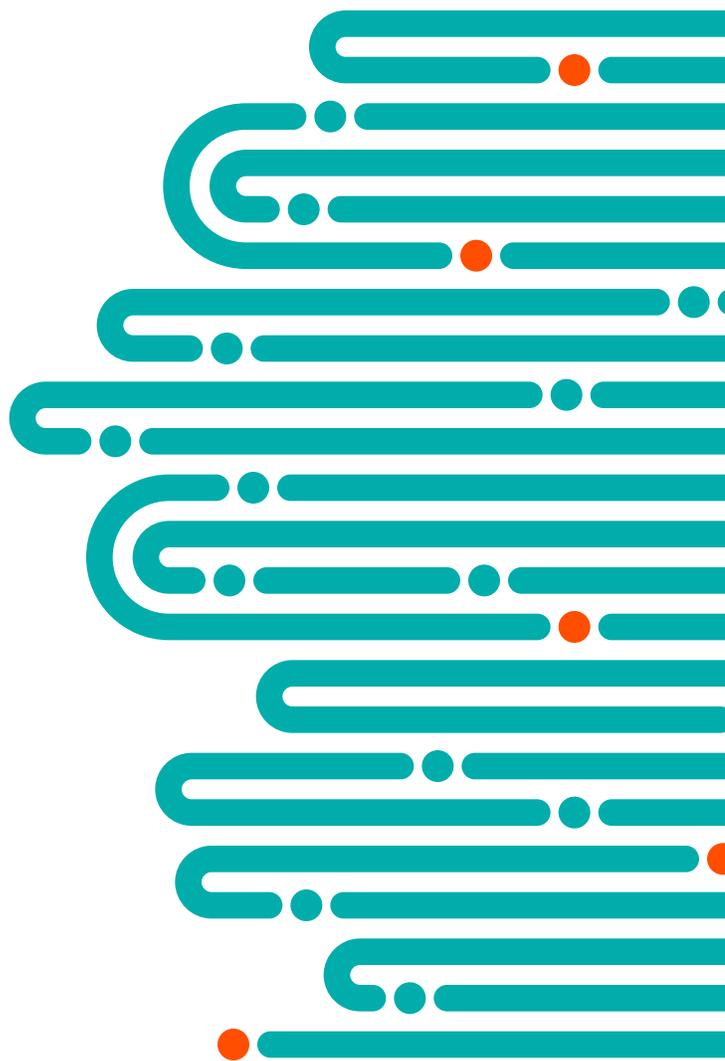
Valley Health System in Ridgewood, N.J., has a long history of clinical quality and financial stability. As the flagship facility in this New York City suburb, hospital leaders know that sustaining its leadership position requires a culture of continuous improvement.

Looking to extend services across the health care continuum, Valley Health System leadership set aggressive goals for increased physician engagement and \$11 million in savings over five years. They then partnered with us to help achieve these goals.

As a first step, Valley’s leadership engaged our consulting team. With one representative working on-site full time, the group managed project milestones and assisted leaders in guiding the cultural transition throughout the organization. Valley Health System’s cardiovascular physicians then leveraged Excelerate®, a provider-led sourcing joint venture between Cleveland Clinic and Vizient. Excelerate provides enhanced value to members by offering a unique, physician-engaged sourcing process for physician preference items such as the cardiovascular products Valley Health seeks.

In addition, through participation in the Mid-Atlantic Purchasing Coalition, which is one of several Vizient supply networks, Valley Health System began saving hundreds of thousands of dollars per year by purchasing the Vizient-contracted medical-surgical and pharmacy products its physicians use most.

Through this committed partnership, Valley Health System is successfully addressing the challenges of price performance, product and staff utilization, outcomes-focused decision-making and supply chain operations to help drive a superior level of performance.



Member spotlights

UW Medicine

UW Medicine is a top-ranking health system in the Pacific Northwest and a 20-year member of Vizient. It is composed of an academic medical center, a county-owned hospital operated by the University of Washington and two community hospitals. Together, UW Medicine and Vizient worked to create a single supply chain organization for the system.

Working alongside UW Medicine's executives, Vizient team members interviewed key stakeholders regarding supply chain operations, value analysis, organizational structure, IT integration and cost savings opportunities. Based on the project team's recommendation, UW Medicine combined the existing supply chain departments into one centralized supply chain department, and Vizient provided guidance during the recruitment process for the key leadership positions.

The Vizient team then set about extending UW Medicine's emerging value analysis program across all four hospitals, using best practices instilled at other member organizations.

Leveraging Clinical Activity Dashboard Reports from the Faculty Practice Solution Center, health system leadership can measure and monitor physician practice and productivity. Regular meetings with the chairs from each clinical department encourage them to work together on performance improvement.

Finally, using Vizient's proprietary analytics tools, UW Medicine identified cost-reduction opportunities in nearly 30 product categories, resulting in over \$20M in implemented savings in two years.

Ochsner Health System

The bond with Ochsner Health System in New Orleans runs deep, tracing back to the aftermath of Hurricane Katrina in August 2005. In the early days following the disaster, our employees partnered with Ochsner to secure much-needed supplies, including fuel for generators to keep the doors open at the New Orleans hospital.

In 2014, recognizing that many of its network hospitals were struggling under the weight of high-cost physician-preference items, Ochsner teamed with legacy MedAssets in a bold move and founded the Southern Strategic Sourcing Purchasing Coalition, also known as S3P.

While the partners anticipated significant savings from the newly formed coalition, results have been nothing short of remarkable. S3P members saved an average of 14 percent on physician-preference items, based on \$120 million in contract volume.

From 2011 to 2015, these and other improvements have contributed to Ochsner's overall lifetime savings of \$50 million—while setting the stage for additional efficiency and accelerated performance in the years to come.



What we commit to achieve: 2016 goals

1. Become an indispensable partner to health care organizations

Goal	Threshold	Target	Superior	Weight
A) Increase the initiatives driving member cost-effective care	Achieve \$2.20 billion in value ¹	Achieve \$2.80 billion in value ¹	Achieve \$3.35 billion in value ¹	35%

2. Become a leader in health care innovation

Goal	Threshold	Target	Superior	Weight
A) Deliver Net EBITDA synergies through integration of Vizient and SCM/Sg2	Achieve \$40 million in synergies ²	Achieve \$50 million in synergies ²	Achieve \$65 million in synergies ²	20%

3. Accelerate our growth rate

Goal	Threshold	Target	Superior	Weight
A) Increase adoption of Vizient offerings	Generate \$170 million in new sales and renewal bookings for Vizient offerings ³	Generate \$225 million in new sales and renewal bookings for Vizient offerings ³	Generate \$270 million in new sales and renewal bookings for Vizient offerings ³	10%
B) Improve Vizient financial performance - revenue	Achieve revenue of \$1,117.9 million ⁴	Achieve revenue of \$1,176.8 million ⁴	Achieve revenue of \$1,235.7 million ⁴	10%
C) Improve Vizient financial performance - adjusted EBITDA	Achieve adjusted EBITDA of \$334.8 million ⁵	Achieve adjusted EBITDA of \$373.3 million ⁵	Achieve adjusted EBITDA of \$420.6 million ⁵	25%
				100%

1. Initiatives include all Vizient programs, services and offerings that drive member cost effective care including consulting, performance improvement programs, analytics, contract portfolios and programs, custom contracting and GPO cash distributions.

2. Annualized and implemented run-rate expense and revenue net synergies related to the MedAssets acquisition that improve Consolidated EBITDA as defined in the credit agreement for the term loan B note. Net synergies exclude one-time integration costs but include recurring incremental costs required for implementation.

3. Total contract value from new sales closed in 2016 including GPO retained admin fees and fee-for-service revenue for non-GPO

offerings. New sales of the GPO exclude alternate site business and renewals from existing acute care GPO members. New sales of non-GPO offerings except for legacy UHC program fees include renewals.

4. Revenue target based on pro forma 2016 revenue from bank model including 12 months of SCM and Sg2 and excluding impact from deferred revenue purchase price accounting (PPA) adjustments.

5. Consolidated EBITDA (pro forma and adjusted) as defined in credit agreement for the term loan B note.

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