In business and in life, we often seek certainty before we move. It is like we are waiting for a pocket map to display detailed driving directions so we can be confident about our destination. But what happens when the path is uncertain? Or maybe there are too many routes, which then makes it hard to choose.

The health care landscape is new territory. Population changes. Technology advances. Reimbursement challenges. New business and care delivery models. These make up the daily terrain for today’s health care providers. There are few paved roads, much less good maps to follow.

This is where clarity takes front seat. Clarity is knowing where you want to go and what you want to achieve. It is purposeful – based on knowledge, experience, even instinct.

The path for Vizient® is clear: We help health care organizations improve their performance. It starts with our mission centered on strengthening members’ delivery of high-value care and comes to life in how we execute on that mission with an integrated approach to enhancing cost, quality and market performance.

Based on direct input from members and employees, we introduced our strategy a little over a year ago. It reflects our commitment to being a trusted partner and delivering an exceptional experience, internally and externally.

I’m proud of the progress we’ve made. In a relatively short time, we have:

• Aligned our operational strategy around key categories, strengthening development and delivery of holistic solutions that support members’ service line needs
• Further integrated Sg2® market intelligence with advisory services to provide members with end-to-end support, from strategic planning through operational implementation
• Continued to lead the industry in improving both pharmacy pricing and access to critical care drugs through innovative sourcing strategies
• Established a new model for strategic relationship management that shifts how we partner with system leaders and ensures coordinated delivery through matrixed, member engagement teams
• Expanded the scope and depth of our analytics and network offerings to foster greater connectivity, insights and opportunities for performance benchmarking and collaboration on shared goals

As a performance improvement company, our journey is one of continuous learning. Of analyzing the landscape and delving below the surface to understand the issues and the opportunities. Of leveraging data and experience to glean knowledge about what worked and why it did not. And connecting those insights to inspire fresh approaches and even better results.

During 2020, our priorities remain the same: We will continue to leverage our strengths in intelligence, analytics, advisory, sourcing and networks to bring differentiated value for members and help guide their success. The paths will vary, but the direction is clear — and our eyes are firmly on the road ahead.

Byron Jobe
President and CEO
Our mission: Why we exist

Vizient strengthens members’ delivery of high-value care by aligning cost, quality and market performance.

Our mission defines the value we bring
Through data, insights and expertise, we help members improve operations and fortify their market presence so they can concentrate on their core purpose: delivering affordable, high-quality care for patients and communities nationwide.

Vizient is the nation’s leading health care performance improvement company
We serve more than half of the health care organizations across the United States—from large integrated delivery networks and academic medical centers to community hospitals, pediatric facilities and non-acute care providers.
Our strategic aspirations: What we want to achieve

As a performance improvement company rooted in health care, we invest fully in strategies that provide members with clinical and operational advantage across the continuum of care. Our aspirations reflect our commitment and chart our multiyear journey.

To become the trusted partner that helps members thrive in their markets
- Provide market-driven insights that anticipate and address member opportunities
- Provide market-leading solutions that address the distinct needs of our diverse members
- Foster and maintain deep member relationships based on aligned goals and an intimate understanding of our members

To become a leader in transforming the delivery of care
- Leverage the scale and diversity of the membership
- Build preeminent performance improvement communities driven by data and shared knowledge
- Deliver innovations, repeatedly and reliably

To accelerate our growth rate
- Grow member value
- Grow membership
- Grow profitability

Health systems have similar goals: to lower operational costs, ensure quality patient outcomes and position services effectively in their local markets. Yet the paths to achieve these goals diverge dramatically based on each organization’s unique strategy, culture, challenges and opportunities.

Because one size does not fit all, Vizient works alongside system leaders, drawing on hard-won expertise to create performance improvement strategies tailored to the need. And, we enable sustainable results through comprehensive solutions, implementation services and ongoing support.
Our solutions: What we do for members

Performance measures

Top-performing providers set goals around three core business indicators and routinely monitor for results.

- **Cost performance**
  - Price performance on supplies, services and pharmacy
  - Spend management through standardization and utilization
  - Operational efficiency

- **Quality performance**
  - Clinical quality
  - Safety
  - Care variation
  - Clinical engagement

- **Market performance**
  - Market share and growth
  - System of care effectiveness
  - Business model innovation

Essential strategies

Our more than 30 years of market experience working with thousands of providers demonstrates the interconnectedness of health system performance measures. Moving one lever can influence others and prompt the need for a broader solution in order to achieve and sustain meaningful improvements.

Today we work from our four essential strategies that position members for success in a dynamic environment and address these imperatives at the intersection of cost, quality and market performance.

- **Clinical-supply integration** fuels a balance of quality outcomes and supply costs
- **Service line success** enables patient-centered care across a system
- **Workforce of the future** creates a systemwide human capital strategy
- **Quality and accountability performance management** drives sustained improvements that elevate scorecard rankings

The value of partnership with Vizient

Health care providers striving to be top performers drive greater improvements and sustain them over time by fully participating in our performance offerings.

<table>
<thead>
<tr>
<th>Actionable insights</th>
<th>Engagement options</th>
<th>Sustained results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparent peer benchmarking</td>
<td>Robust analytics support</td>
<td>Proven performance improvement model</td>
</tr>
<tr>
<td>Industry-leading risk methodologies</td>
<td>Facilitated peer-to-peer collaboration</td>
<td>Minimal ramp-up required</td>
</tr>
<tr>
<td>Performance improvement-focused rankings</td>
<td>Advisory services</td>
<td>Partnership beyond a single engagement</td>
</tr>
<tr>
<td></td>
<td>Outsourced services</td>
<td></td>
</tr>
</tbody>
</table>
At the intersection of clinical-supply integration

Clinical-supply integration is an ongoing, interdisciplinary strategy that reduces unnecessary variation, lowers costs and optimizes utilization to improve care delivery and financial performance.

Uniting clinicians, quality and supply chain professionals, clinical-supply integration transforms how a health system uses evidence-based decision-making in the often siloed domains of care delivery and supply purchasing.

“I have been impressed that the things we are going after are not short term. We are taking the time to do it the right way and hardwire those savings so we get repeated savings year after year.”

Chief Operating Officer
Vizient member

Vizient solutions help advance clinical-supply integration in four key ways:

| Engagement: | proven approach to build a high-functioning, interdisciplinary governance structure |
| Insights: | actionable, integrated analytics assessing cost, utilization and clinical variation |
| Knowledge: | evidence-based literature and peer-to-peer evaluation of clinical variation |
| Process: | demonstrated model for driving continuous improvement through a systemwide change management discipline |

At the intersection of service line success

Service lines now extend beyond the four walls of the hospital. While still centered on delivering a set of clinically related conditions or procedures, today’s service line is integrated across an entire system of care around a specialty, medical condition or population.

In this complex environment, system leaders recognize the need for strategies that are informed by market trends and real-time, clinical cost and quality data.

As an example, projections show that over the next decade:¹

- 20% growth in outpatient treatment of cancer and -2% inpatient growth
- 18% growth in outpatient surgery and -2% inpatient growth
- 23% growth in outpatient cardiovascular services and 1% inpatient growth

With insights like this, Vizient equips service line leaders with a relevant and actionable understanding of opportunities.

Vizient analytic insights help shape sustainable service line strategies:

| Strategy: | market and organizational driven planning |
| Insights: | actionable interpretation to identify, measure and sustain performance |
| Process: | clinical and financial expert collaboration |
| Solutions: | proven results in cost, quality and market strategy performance |

“Vizient data really shows us where opportunities lie. Our core ortho group was able to discuss sourcing strategies using data that showed us cost and outcomes for different implants. This information also engaged physicians to participate in the sourcing process.”

Physician and Professor, Orthopedic Surgery and Sports Medicine
Vizient member

¹ Sg² 2019 Impact of Change Forecast: Key Growth Trends by Service Line.
Sg² is a Vizient company.
How one hospital saved $28.3 million while improving patients’ experience

One of the nation’s top academic medical centers discovered significant savings, efficiencies, and care optimization through its partnership with Vizient. Originally this health system was focused on supply chain transformation. But after discussions between hospital clinical leaders and Vizient, the organization uncovered opportunities to expand their clinical governance model and improve the patient experience. They discovered that their methodologies for reducing supply variation could apply elsewhere. So they turned their attention to tackling variation in a clinical operations context. In other words, the improvement opportunity grew from a focus on supply cost reduction and evolved to optimizing their broader clinical operations, specifically focused on patient throughput in their operating room (OR) and emergency department (ED). Clinical leadership designated safe and efficient discharges as a care transformation priority to achieve efficient throughput and shorten patients’ length of stay. Partnering with Vizient, the organization implemented multidisciplinary discharge huddles that improved the patient experience and reduced length of stay. Savings included $7 million due to reduced length of stay, as well as OR and ED efficiencies. This engagement resulted not only in more than $28 million overall in hard dollar savings, but also continues to positively impact patient care on a daily basis.

$28.3M
Savings reached by optimizing clinical operations.

Our integrated solutions are built on the scale of our data, expertise and experience. Vizient fuels connections that improve performance across the care continuum.
Our enterprise priorities: How we drive value

In 2020, we commit to enriching our solutions with expertise that differentiates us as a strategic partner and drives the greatest value for members. Vizient brings unique capabilities and expertise that are unmatched in the industry. We will continue to build on these strengths by focusing our energy and investments in areas that differentiate us as a strategic partner.

Leverage the scale and diversity of the membership

- Connect like-minded providers in trusted forums to accelerate performance
- Expand the reach of our transparent comparative analytics platform and leverage member data and insights to become the industry-standard benchmark
- Utilize the collective voice, intellect and scale of the membership for advocacy and innovation

Deliver integrated cost, quality and market performance solutions across the care continuum

- Evolve our operations and delivery model to address both enterprise and service-line specific needs
- Transform the current supply chain model through increased innovation, automation and informed clinical decision-making
- Enhance our capabilities to become an extension of our members’ operations

Enable a consistent and exceptional member experience

- Foster deep, trusted C-suite relationships
- Enable the sustainable cycle of improvement from plan through execution and monitoring
- Create partnerships with aligned objectives

At Vizient, we believe that moving health care forward means thinking differently to drive improved results. Every day, we are in the business of helping transform how health care organizations do their best work.
Putting our enterprise priorities to work to fuel pharmacy solutions

Vizient is at the forefront of pharmacy innovation— as the company has been for 30 years— with initiatives aimed at mitigating the impact of drug shortages and price spikes with innovative contracting strategies and alternative drug therapies. We also advocate for legislative action and policy solutions that promote competition and ensure consistent availability of drugs for hospitals.

“**For the last few years, drug shortages have plagued hospitals and providers. At Vizient, we believe it is a natural extension of our company’s purpose to lead and participate in discussions like this— and then work collaboratively to find innovative solutions.**”

Dan Kistner, PharmD
Senior Vice President, Pharmacy Services
Vizient

In 2019, we leveraged scale of the Vizient membership and our collective voice to increase the value members gain through participation in our pharmacy program.

- Our private-label program, Novaplus®, provided Vizient members improved access to more than 760 National Drug Codes (NDCs) — including most of the drugs regularly listed as “short” supply — and drove significantly higher fill rates for our members compared to the fill rates of other group purchasing organization (GPOs).
- Acentrus Specialty inked an agreement with Pfizer to provide hospital and health system clients with access to 10 oncology products. Since its implementation, 16 health systems gained access to the limited distribution drug portfolio of oncolytics. They are able to treat nearly 400 patients with these lifesaving products, without fragmenting individuals’ care outside the health system.
- We moved into 2020 by announcing the latest enhancement to our Novaplus program that specifically targets manufacturers of essential medicines. The enhanced program uses transparency, accountability and commitment to drive a more stable pharmaceutical supply chain. This first round targets 11 critical care drugs and acute, life-saving drugs for which there are no alternatives, and is expected to deliver more than 31 million additional vials to benefit patients.

We hosted our second Congressional briefing focused on finding solutions to the problems within the pharmaceutical industry. Leading a panel that included representatives from Allina Health and Lifespan, both Vizient member organizations, and a sitting U.S. Congresswoman, we spotlighted the issues of shortages, generic drug competition, supply chain efficiencies and biosimilar adoption. The Washington, D.C., event attracted more than 100 attendees, including legislative staffers, reporters and industry stakeholders.
Our values: How we engage with others

To carry out our priorities in a compelling way, we must be authentic and transparent day in and day out. Our values are the essential principles that govern how we show up in the course of our business and personal lives. They are the standards we hold high, to ensure an exceptional experience for members and each other.

Our core values represent who we are and aspire to be every day

<table>
<thead>
<tr>
<th>Be Bold</th>
<th>Be Accountable</th>
<th>Be Inclusive</th>
<th>Be Purposeful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embrace an inquisitive mindset and drive innovation</td>
<td>Make informed choices and commit to own the results</td>
<td>Reach across boundaries and value diverse perspectives</td>
<td>Create meaningful experiences that make a positive difference</td>
</tr>
</tbody>
</table>

Our permission-to-play values anchor us on baseline expectations

<table>
<thead>
<tr>
<th>Respect</th>
<th>Integrity</th>
<th>Service</th>
<th>Judgment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treat others as you would like to be treated</td>
<td>Operate with unwavering honesty, ethics and trustworthiness</td>
<td>Diligently meet the needs of others</td>
<td>Make wise decisions</td>
</tr>
</tbody>
</table>

Driving positive change for members starts with people who see the world differently. People who can spot opportunity where others can’t. And people who believe that when we work together, we can make a real difference. It’s the underlying passion that drives each of us to think creatively about ways to improve America’s health care.