DIRECT TO CONSUMER MARKETING:

HOW TO SUCCEED IN TODAY’S CONSUMER DRIVEN HEALTHCARE ECONOMY

June 14th-16th, 2018
DISCLOSURE

- Spine Surgeon
- Houston, TX
- MD/MBA University of Pittsburgh
- Orthopedic Surgery Residency UCSD
- Spine Fellowship Rush

Chief Medical Officer

- Salary
- Stock

Board of Directors

Consulting / Speaking

- Medtronic
- Amendia
- Choice Spine
Outline

• Nobilis overview
• Background
  • DTC Marketing
  • ASC Industry Growth

• Physician Engagement/Co-marketing
• High Touch DTC Marketing Model
  • Brands
  • Lead Generation
  • Patient Coordinators
  • Patient Journey
Nobilis Health Overview

Nobilis Health Overview

• 11 markets across 5 states
• 5 surgical hospitals
• 12 ASCs
• 15 multi-specialty clinics
• 34 partner facilities

• Optimized case mix and payor mix
• Higher acuity procedures leading to higher levels of reimbursements
• Focus on minimally invasive procedures
• Compelling value proposition for physicians, patients, and payors
• Low Cap-Ex requirements
• Scalable platform enables nationwide growth

• Branded procedures drive additional surgical volume to nation-wide network of facilities
• Capitalizes on growing trend of consumerism in healthcare
• Drives organic growth
**NOBILIS HEALTH VS TRADITIONAL MODEL**

**TRADITIONAL MODEL**
- **Physician Partners**
- Acquires patients from physician partners who are not obligated to bring cases to their facility
- Physicians often form partnerships with inequitable percentages
- Management Co. only manages and does not drive patients to centers
- Must rely on physician partners to grow their practices and then bring more patients
- No vertical integration

**NOBILIS HEALTH MODEL**
- **Physician Partners** (Minority Ownership)
- **Acquiring Patients**
  - Acquires patients through marketing programs, network of primary care physician partners and physician employees
- **Ownership**
  - Ownership is just one of several alignment opportunities between physicians and Nobilis
- **Management**
  - Nobilis owns and/or manages its facilities
- **Growth**
  - Drive patient flow to our facilities
- **Integrations**
  - Control the patient experience through an expanding continuum of care: patient acquisition, primary care, ancillaries, surgeries and post-op

**NHC Employed Physicians**
- Joint Marketing with Physicians
- Nobilis Health Clinically Integrated Network
- Direct To Consumer Marketing
NOBILIS HEALTH VS TRADITIONAL HOSPITALS

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**TRADITIONAL HOSPITALS**
- Full-service hospital
- Inpatient and outpatient
- > 5,700 hospitals nation-wide
- 60%+ not-for-profit

**SPECIALTY SURGICAL HOSPITAL (SSHs)**
- Typically outpatient focused
- Inpatient and Outpatient
- ~300 SSHs nation-wide

**AMBULATORY SURGICAL CENTERS (ASCs)**
- Outpatient only
- > 5,500 ASCs nation-wide
- 70%+ owned by independent physician groups
NOBILIS HEALTH HIGHLIGHTS

Unique Marketing Model
✓ Multiple marketing channels drive organic volume growth
✓ Proprietary technology platform targets prospective patients
✓ Strong value proposition: Superior patient experience that expands physicians’ practices

Patient-Centric Value Proposition
✓ Unique marketing model increases case volume and provides superior patient experience
✓ Offers optimal surgical environments that result in better overall quality of care
✓ Offers ancillary services that lead to better efficiency and outcomes

Favorable Payor And Procedure Mix
✓ Marketing segment targets higher acuity cases resulting in a highly attractive case mix
✓ Procedure diversification increases the stability of the revenue base
✓ Minimal government payor claims reduces risk of Medicare/Medicaid rate changes

Attractive Industry Fundamentals
✓ 66% of all surgeries are outpatient with >50% performed in ASCs vs. 32% in 2005
✓ Lower cost, high quality outpatient setting; trend toward increased consumerism in healthcare
✓ Abundance of desirable acquisition opportunities due to fragmented market
CONSUMERISM DRIVING INCREASED QUALITY OF CARE

Increased Consumerism in Health Care

- Active, older population
- Increases access to info online and DTC marketing
- Financial burden shifted more to patients
- Higher expectations, more informed patients

ASCs are consumer-oriented facilities
DIRECT-TO-CONSUMER IN HEALTHCARE

The nation’s hospitals and clinics healthcare systems are rapidly adapting to the increasing role of DTC marketing in the healthcare space by developing user-friendly websites, increasing digital marketing budgets, and developing various apps that increase patient engagement.

Half of hospitals’ marketing budgets go to Digital Initiatives in 2017

90% of center customers want a more personal and direct experience

Median Hospital Marketing Department Annual Operating Budget is $3.1 Million

Marketing Department Customer Relationship Management System Utilization

57% of Hospitals planning on website redesign

75% marketers say their organization are “mostly/completely” embracing a digital transformation

Today, the consumer is more empowered to make decisions compared to 10-20 years ago when hospitals depended on physicians to refer a patient. Consumers have been increasingly looking online for answers to help guide their healthcare treatment decisions.
**INDUSTRY GROWTH**

- Efficient cost structures
- Increased government focus on healthcare
- Aging population
- Economies of scale drive partnership decision for physician-owned facilities
- > 50% of outpatient surgeries performed in ASC setting vs. 32% in 2005

**Projected ASC Industry Revenue**

- CAGR: 6.7% (2006-2020E)
- Source: CSM, Equity Research, IBIS healthcare expenditures estimates, Becker’s.

Independent operators, hospitals, & small chains comprise 78% of ASCs in the U.S.
RISE IN AMBULATORY SURGERY CENTERS (ASC)

ASC Spine Surgery
10 fold increase in procedure volume from 2005 to 2015

BCBS Laminectomy
Outpatient procedure volume has grown proportion done outpatient grew from 61% to 82% in last 5 years

SURGICAL TRENDS BY VOLUME

20 YEARS AGO
- Over 80% of surgeries performed in inpatient environment
- Over 90% of outpatient procedures performed in hospital outpatient departments (HOPD)

PRESENT
- 66% of surgical procedures were performed on an outpatient basis
- 5,500 ASCs, 23 million surgical procedures/year
NOBILIS HEALTH PHYSICIAN ACQUISITION STRATEGY

Sales & Marketing
Goal: Self-source business and maximize ROI

1. DIRECT TO CONSUMER (DTC)
   - Lead Generation
   - Concierge Service
   - Conversion to Surgical Patient
   - Patient Experience Follow-up

2. PHYSICIAN RECRUITMENT
   - Sales Outreach to Physicians
   - Physician & Patient Conversion
   - Nobilis Facility Case Acquisition

3. 360 CONCIERGE
   - Sales Outreach to Referral Community
   - Physician Referral to Nobilis Brand
   - Leverage concierge service for enhanced patient experience

OUR UNIQUE APPROACH

Successful Patient Outcomes

Personalized treatment & access to multi-disciplinary medical staff & physicians
# NOBILIS HEALTH PHYSICIAN ACQUISITION STRATEGY

## DIRECT-TO-CONSUMER MARKETING (DTC)
- Marketing and technology platform targets prospective patients
- Unique value proposition to physicians; superior patient experience
- Scalable revenue driver
- Portfolio effect – direct cases to specific facilities on a procedure-by-procedure basis for best clinical outcome

## PHYSICIAN SALES
- In-house marketing team
- Builds and executes marketing plans on behalf of physicians
- Expands physicians' practices, optimized payor and procedure mix, and drives additional volume to Nobilis facilities
- High average return-on-investment (ROI)
MARKETING OVERVIEW

Our brands and markets specific surgical procedures direct to consumers

Builds and operates customized marketing plans for physicians

Develops unique in-house software to serve the needs of the entire patient journey

Dedicated patient coordinators provide a world class patient experience

**Lead Generation**
DIRECT-TO-PATIENT
- Digital
- Direct Response TV
- Radio
- Email Marketing
- Direct Mail
- Content Marketing
- Real-Time Information Fulfillment

**Conversion**
DIRECT-TO-PATIENT

**Concierge Service**
INSIDE SALES TEAM & IT PLATFORM
- Proprietary Software Solutions
- CRM
- Process Platform
- Custom Imaging Application
- Scheduling Application

**Patient Tracking**
PATIENT EXPERIENCE FOLLOW UP / FACILITATE RESEARCH
- Post Operative Follow-up Contact
- Patient Experience Surveys / Communication
- Patient Testimonials
- Referral Request

**Return On Investment**
PHYSICIAN MARKETING PLANS
- In-house marketing team works 1 on 1 with physicians to develop and distribute customized advertising plans.
- Nobilis experiences up to 5:1 return on investment per physician marketing agreement.

**Conversion to Surgical Patient**
SURGICAL PATIENT
- Webinars / Patient Education
- MRI Review by Medical team
- Insurance Verification & explanation
- Surgery Clearance Management
- Surgery Scheduling / Coordination

- 5 Mil. Website Visits
- 72,000+ Patient Leads
- 8.4 Mil. Page Views
- 4,800+ Total Surgeries From Marketing

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- From
- Marketing

RETURN ON INVESTMENT
HIGH TOUCH MARKETING MODEL

Nobilis Health brands and markets specific surgical procedures direct to consumers, leveraging a robust omni-channel marketing strategy that delivers metric driven results.

OMNI Channel
DIRECT-TO-PATIENT MARKETING MODEL
• Predictive Modeling
• Digital
• Direct Response TV
• Radio
• Email Marketing
• Direct Mail
• Real-Time Information Fulfillment

Patient Tracking
PATIENT FOLLOW UP / FACILITATE RESEARCH
• Post Operative Follow-up Contact
• Patient Experience Surveys / Communication
• Patient Testimonials
• Referral Request

Concierge Service
INSIDE SALES TEAM + IT PLATFORM
• End-to-end Concierge Service
• Proprietary Software Solutions
• CRM
• Process Platform
• Custom Imaging Application
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NOBILIS HEALTH BRANDS

North American Spine
The flagship brand, North American Spine offers innovative, minimally invasive back and neck surgeries and enjoys a solid track record of superior outcomes. The minimally invasive, laser spine procedures enjoy high recognition in their markets and the aging population encourages strong natural growth.

Clarity Vein & Vascular
Clarity Vein and Vascular provides minimally invasive surgical treatment of painful and/or unsightly vascular conditions ranging from the relatively benign, like varicose or spider veins, to the dangerous, like deep vein thrombosis or peripheral artery disease.

Hamilton Vein Center
Hamilton Vein is a full-service clinical practice with multiple Texas locations and an impressive record of successful treatments. Adept at cosmetic procedures for conditions like spider and varicose veins, the practice also excels at diagnosing and treating potentially harmful underlying conditions.

Migraine Treatment Centers of America
Migraine Treatment Centers of America is the exclusive provider of the Omega™ Procedure, a non-pharmaceutical surgical implant for the relief of chronic migraine pain. Increasing awareness of neurostimulation techniques, vocal support from past patients, and favorable insurance policies position the brand as very high growth.

Arizona Vein & Vascular Center
Arizona Vein and Vascular is a mature practice in the Phoenix/Scottsdale area that, like Clarity Vein and Vascular, provides minimally invasive treatment of venous conditions and disorders from the unsightly to the dangerous.

MIRI Women’s Health
MIRI Women's Health focuses on minimally invasive surgeries for gynecological conditions and offers second opinions for those seeking an alternative to traditional hysterectomies.

Evolve
Evolve, a bariatric surgery brand, benefits from increasing medical consensus on the health benefits of bariatric surgery over conventional diet and exercise for the significantly or morbidly obese. Nationally rising rates of obesity and more farsighted, preventive insurance policies poise the brand for strong growth.

Onward Orthopedics
Onward Orthopedics treats non-spine joint issues for patients of all ages and types. The brand benefits from partner physicians with solid histories of high-profile sports clients, and can provide referrals to the North American Spine and NueStep brands.

NueStep
NueStep focuses on the minimally invasive relief of foot and ankle pain due to nerve entrapment and a variety of other podiatric issues. The brand’s success is a result of educational marketing campaigns designed to correct a historical under-appreciation of foot pain and therapeutic modes used to address it.
How Our Brands Work

HOW OUR BRANDS WORK

Nobilis Facility

% of Profit + Management Fee

Facility Fee

Payor
Commercial, Government, Self-Pay

North American Spine

Professional Fees

Partner Surgeons

Patients

Marketing Spend
Advertising
On average, Nobilis Health devotes millions of dollars per month to lead generation and advertising efforts. We are one of the top healthcare advertisers on Google & Facebook which allows our team to have direct access to a dedicated staff.

Strategy
The majority of our patient engagement, advertising, and access to healthcare model, is digitally focused. We are engaging with consumers who enjoy convenience even when it comes to medical. This is the WebMD age of medicine.

Lead – Cause (a person) who sees our advertisement, visits our website, and either calls or fills out a website lead generation form with the desire to move forward with a surgical procedure.
DTC PAID SEARCH & SEO WITH HIGH CONVERTING CRM FUNNEL

I. Leverage marketing expertise in channel-based areas (Paid Search, SEO) to drive efficient traffic

II. High converting site provides efficient lead conversion, based on keywords searched by search engine visitor

III. Highly effective CRM funnel using email, direct mail and customized text messages to convert site visitor to lead and procedure, based on the level of intent of the visitor and the area of medical interest
**LEAD GENERATION ENGAGEMENT POINTS**

1. **1st Engagement**
   - Patient sees commercial.

2. **2nd Engagement**
   - Patient Googles “North American Spine” and clicks on paid search ad by North American Spine in the top position.

3. **3rd Engagement**
   - Patient is directed to corresponding landing page and submits form.

4. **4th Engagement**
   - Automated welcome email from their Patient Care Manager with introductory information and next steps is sent.

5. **5th Engagement**
   - Patient Care Manager immediately reaches out to the new lead to begin the process.

6. **6th Engagement**
   - Meanwhile, a welcome kit specific to the patient’s condition (self-selected) is mailed to the patient.
PATIENT COORDINATORS

Nobilis Health ensures that each step of the patient journey is reviewed, managed and influenced by the same patient coordinator from lead generation to post-op.

End-to-End Concierge Model

Built in such a way to allow for standardized data entry for corporate-level reporting consolidation, connection to multiple EMRs, faster onboarding of new facilities with diverse systems, post-operative follow-up program with outcomes and patient satisfaction data.
Patient Care Managers (PCMs) are the single point of contact for the patient. They ensure the patient is scheduled for a consult and if needed, is scheduled for a procedure at one of our facilities. They maintain continuous communication with the treating office to ensure the patient is contacted and scheduled quickly.

Why do Physicians and Patients choose us?

Three words: Patient Care Managers

Brittany C.

Brittany is not only a great person, but a true professional at what she does. If there were more Brittans in this world it would be such a better place.

Kim B.

Kim was amazing. Very thorough, just spectacular. She really alleviated my fears. I felt immediately comfortable with her and like we became friends.

Brooke F.

Brooke is great at her job! Her customer service and follow through are excellent! She made the process comfortable and I appreciate that.

Did you know: On average, a Patient Care Manager interacts with a patient 17 times.
HOW PATIENT CARE MANAGERS WORK

Patients have one contact for their requests and needs. Our Patient Care Managers guide patients every step of the way as they work with our internal team to keep the patient on the path to recovery.

*We conduct patient satisfaction and outcome studies which easily transitions our satisfied patients to become brand ambassadors referring more family, friends, and social media followers to Noblis Health.*

1. Patient Care Manager Assigned
2. PA/MD Review, if applicable
3. Insurance Verification
4. Explanation of Benefits & Costs
5. RN Surgical Clearance, if applicable
6. Scheduling
7. Surgery

Follow-Up
PROPRIETARY TECHNOLOGY

Omni-channel Marketing Optimization

- Targets and optimizes highest potential media to attract specific leads.

Digital Sales & Marketing Platform

- Workflow application, facilitates multi-clinician review, provides a real-time feedback loop for sales training and marketing spend optimization.
- Connects to an automated fulfillment center and marketing automation software to maximize profitability.

Data Mining and Analytics

- Ensure clinical quality and cost efficiencies while producing additional leads.

Proprietary Scheduling Application

- Integrated with physician and facility schedules providing capability to drive location and timing logistics for specific surgical cases.

Proprietary MRI viewer

- Clinical MRI viewer to accelerate and maximize clinical process.
PHYSICIAN CO-MARKETING

Online / Paid Search

Nobilis Health

Physician Co-Marketing

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PHYSICIAN CO-MARKETING

TV Commercials & News Appearances

The Orthopedic Sports Clinic
Nobilis Health also increases patient engagement and participation in various ways.

**RESOURCES**

**Website**
NAS website includes a free exclusive info kit as well as supplementary information on NAS. Our Patient Care Managers are standing by and ready to help.

**YouTube & Videos**
Minimally Invasive Surgery and Robotic Spine Surgery Talks from Dr Badlani are available on YouTube for education purposes.

**Commercials**
Commercials and TV ad campaigns for NAS are nationally aired and tracked online. You can find them on Facebook, Twitter and YouTube.

**Dr. Badlani Explains Minimally Invasive Surgery**
www.youtube.com
Dr. Neil Badlani of The Orthopedic Sports Clinic and Chief Medical Officer of Nobilis Health explains the basics of minimally invasive spine surgery. Surgery is done ...

**Dr. Neil Badlani Tells You About ROBOTIC Spine Surgery**
www.youtube.com
Meet the future of spine surgery: robotics. North American Spine partner physician and Chief Medical Officer, Dr. Neil Badlani, tells us about how robot-assisted ...
Patient Education

North American Spine

- Minimally Invasive Benefits
  - Smaller incisions
  - Less damage to muscles
  - Less blood loss
  - Quicker recovery

NorthAmericanSpine.com | 877.474.BACK
PATIENT JOURNEY

STAGES

- Public Relations
- Surgery Guides
- Condition Specific Info-Kits
- End Of Year: 4 Month Campaign
- Social Media
- Real-time Optimization
- Ratings and Reviews
- White Papers
- Topic Specific Landing Pages
- Next Step: Lapsed Lead Campaigns
- Patient Appeal Toolkit
- Testing Environment
- Patient Testimonials
- Educational DVD & Webinars
- Dynamic Email Sequences
- Share The Love: 7 Step Loyalty Campaign
- Patient Alumni Communication

AWARENESS

Public Relations

Surgery Guides

Condition Specific Info-Kits

End Of Year: 4 Month Campaign

Social Media

Real-time Optimization

Ratings and Reviews

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Share The Love: 7 Step Loyalty Campaign

Patient Alumni Communication

CREDIBLE

VALUABLE

PERSONAL

TIMELY

RESPONSIVE

OPTIMAL

Nurture early stage patients

Remain top-of-mind for future conversion

Conversion to Surgical Patient
Thank You