Investment Community

Analyst Day
December 12, 2019
Safe Harbor Provisions for Forward-Looking Statements

This presentation and the accompanying oral statements may contain forward-looking statements within the meaning of the federal securities laws. Statements regarding future events, developments, the Company’s future performance, as well as management’s expectations, beliefs, intentions, plans, estimates or projections relating to the future (including, without limitation, statements concerning revenue and net income), are forward-looking statements within the meaning of these laws and involve a number of risks and uncertainties. Management believes that these forward looking statements are reasonable and are based on reasonable assumptions and forecasts, however, undue reliance should not be placed on such statements that speak only as of the date hereof. Moreover, these forward-looking statements are subject to a number of risks and uncertainties, some of which are outlined below. As a result, actual results may vary materially from those anticipated by the forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: the volume and timing of systems sales and installations; length of sales cycles and the installation process; the possibility that products will not achieve or sustain market acceptance; seasonal patterns of sales and customer buying behavior; impact of incentive payments under The American Recovery and Reinvestment Act on sales and the ability of the Company to meet continued certification requirements; the development by competitors of new or superior technologies; the timing, cost and success or failure of new product and service introductions, development and product upgrade releases; undetected errors or bugs in software; product liability; changing economic, political or regulatory influences in the health-care industry; the effectiveness of M&A strategies and integration efforts; changes in product-pricing policies; availability of third-party products and components; competitive pressures including product offerings, pricing and promotional activities; the Company’s ability or inability to attract and retain qualified personnel; disruptions caused by corporate restructuring plans and business strategy shifts; possible regulation of the Company’s software by the U.S. Food and Drug Administration; uncertainties concerning threatened, pending and new litigation against the Company including related professional services fees; uncertainties concerning the amount and timing of professional fees incurred by the Company generally; changes of accounting estimates and assumptions used to prepare the prior periods' financial statements; general economic conditions; and the risk factors detailed from time to time in the Company’s periodic reports and registration statements filed with the Securities and Exchange Commission.
NextGen Healthcare
Stand by – Video in Progress
Rusty Frantz
President and Chief Executive Officer
Empowering the Transformation of Ambulatory Care

Who We Are
A leading provider of ambulatory-focused technology solutions partnering with medical, behavioral and dental providers in their journey to value-based care.

- Improve the quality and efficiency of care delivery
- Drive healthy, predictable financial outcomes
- Engage patients in their care and foster loyalty
- Orchestrate delivery to manage risk
- Participate in frictionless interoperability

Where We’re Going
Becoming the preferred solutions partner and trusted advisor for risk-bearing entities.

We Believe in Better.
Our Transformative Journey

DESIGN

BUILD

GROW

We are Here
Highly engaged & satisfied client base

NextGen’s Activated Base
• UGM 2019, Clinical Summit
• Satisfiers & Promoters
  • Solution Satisfaction – Improved Workflows and Usability
  • Client Relationship Management
  • Client Support / Service
  • Executive Engagement

Source: KLAS Research 2019, as of October 2019
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Aligned the portfolio around market needs

Engaged, Productive Clinicians
- Clinical Analytics
- Mobile
- Scribe & Transcription
- Adaptable Workflows

Healthy, Predictable Financial Outcomes
- Financial Analytics
- Denial Management
- Contract Management
- Managed Services

Loyal, Engaged Patients
- Enhanced Portal
- Prior Authorization
- Patient Estimates
- Virtual Visits

Predict & Prioritize for Better Outcomes
- Risk Stratification
- Patient Outreach
- Practice Performance
- Network Design

Connectivity Everywhere
- Direct Messaging
- Referral Exchange
- Chart Exchange
- FHIR APIs

Client Engagement, Education, Adoption, & Optimization

API & Interoperability
- Analytics
- Automation & Workflow Management

Integrated Care Platform

Clinical Care
Financial Management
Patient Access
Population Health
Connected Health
Demonstrated the ability to innovate organically

- Advanced SOAP Note
- Adaptive Content Engine
- CPOE

- Cost/Quality Fusion
- Care Management
- Native Outreach

- Tap Templates
- ePrescribing
- Virtual Visits

- Health Data Hub
- Carequality / Reconciliation
- API Marketplace
Expanded the breadth of our solution-set through M&A

Mobile Provider Experience

Population Health Management

Specialized Surgical & Behavioral Care

Patient Access & Engagement Platform
Leveraged partners, broadening our ecosystem & scale

Solution Extenders
- Marketplace Launch
- Modern API

Interoperability & Data Exchange
- 190M direct messages
- 65M documents exchanged
- 28M clinical registry submissions

Technology & Scale Enablers
- Improved Security and HIPAA Compliance
- Improved uptime

Market Expansion
- Patient chart transfers
- Lab orders and results
Established a client-centric commercial go-to-market

**PAST**
Selling Products, Opportunistically

- Generalist, High-level
- Product/Geographic Coverage
- Unpredictable Execution

**FUTURE**
Selling Solutions, Delivering Outcomes

- Client-Centric, Focused
- Specialty-Driven Coverage
- Systematic Execution

**Specialty-Specific Client Outcomes**

- Strategy, aligned w/ market needs
- Innovation, delivering new solutions
- Specialized sales & marketing
- Implementation, training & adoption
- Dedicated account management
- Proactive service & support
- Value-add services to drive optimization
- Thought leadership & best practices
Yielding cross-sell success – clients are “all-in”

Flagship Client: South Bend Clinic

- **$5.6M All-In Deal**
- NextGen Enterprise EHR/PM
- Population Health Management
- Managed Cloud Services
- $2M Annual ROI

“It’s critical for our providers to access colleagues in different specialties real-time across the clinic and community, to share expertise and speed the flow of treatment and diagnosis across all disciplines. NextGen Healthcare enables us to deliver clinical value, in terms of improved outcomes, as well as economic value.”

–CEO, South Bend Clinic
Momentum in ‘outside-the-base’ share expansion

The Replacement Market Has Accelerated

- **70% Bookings**
  - Bookings from Inside the Base
  - EHR Replacement Cycle Begins Here

- **30% Bookings**
  - Bookings from New Addresses

Agnostic Opportunities Emerge

Demand for agnostic Population Health Analytics, Mobile, & Cloud-based HIE platforms

- Unique Integrated Workflows
- Other EHRs

We are Here

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Delivered meaningful financial & clinical outcomes

NextGen Healthcare Client Bridges Health Partners Achieves Medicare Shared Savings of $8 Million

October 30, 2019

Leveraging Population Health Analytics, Clinically Integrated Network Exceeded Its Value-Based Care Delivery Objectives in First Year of Operation

IRVINE, Calif.--(BUSINESS WIRE)--Oct. 30, 2019-- NextGen Healthcare, Inc. (NASDAQ: NXGN), a leading provider of ambulatory-focused technology solutions, today announced that Bridges Health Partners LLC in Pittsburgh achieved nearly $8 million in savings in its first performance year in the Medicare Shared Savings Program (MSSP) - representing a 3.4 percent reduction in spending - by leveraging NextGen® Population Health analytics to improve patient care across its extensive network of seven hospital campuses and 121 practices.

Bridges Health Partners was formed in 2017 by affiliates of Butler Health System, Excela Health, St. Clair Hospital, and Washington Health System, and includes employed and affiliated independent ambulatory provider groups focusing on quality and outcome improvement throughout its integrated, regional network of care. NextGen® Population Health aggregates patient data from multiple sources including paid claims and, through powerful analytics, drives meaningful insights across clinical, financial, and administrative data regardless of the EHR platform. Bridges utilizes some 20 different EHRs across its network.
Resulting in strong bookings growth, turning to revenue

Bookings Performance

$116.9

$133.5

$68.4

FY18

FY19

FY20H1
The inflection point of risk is upon us

Capabilities required to take on risk

**Full Risk**
- Clinical Cost Drivers
- Practice Pattern Variations
- Patient Engagement
- High Cost Claim Management
- Actuarial Services

**Partial Risk**
- Quality Incentive +
  - Pre-visit Planning
  - Risk Stratification
  - Predictive Analytics
  - Patient Cohorts
  - Resource Utilization
  - Care Management
  - Transitions of Care
  - Network Design & Management

**Quality Incentive**
- Measures
- Performance to Targets
- Trending
- Gaps in Care
- Patients Not Seen
Market Evolution has Accelerated.

Our Clients Face New Challenges

- Consumerism & Focus on Wellness
- Delivery Model Innovation
- Payment Innovation & Risk Reallocation
- Digital Health & Tech Utilization
- Widespread Data Availability
We’ve gained additional capabilities, advancing our position
As breadth increases, complexity can increase.
Investment in our new underlying platform will accelerate innovation & scale
Unlocking the potential for accelerated growth

We are Here

ACCELERATED GROWTH

FY20 -> FY23-24
John Beck
Chief Solutions Officer
Market Evolution has Accelerated.

Our Clients Face New Challenges

- Consumerism & Focus on Wellness
- Delivery Model Innovation
- Payment Innovation & Risk Reallocation
- Digital Health & Tech Utilization
- Widespread Data Availability
## Market evolution has accelerated

### Consumerism & Focus on Wellness
- **Consumerism/Patient Experience Will Rule the Day**: Online reviews, transparent pricing, & satisfaction ratings when selecting a provider
- **Over 70% of consumers would rather use video** than visit their primary care provider in person

### Delivery Model Innovation
- **New Forces are at Work** – “Payviders”, Direct to Employer
- **Ramp of Medicare Advantage** and MA type Plans
- **803 M&As and 858 Partnerships, in 2018 enabling “Total Care Experience”**

### Payment Innovation & Risk Reallocation
- **Annual savings shows the shift to value-based payments is effective**
- **Members who received care under a value-based arrangement experienced improved health and better care at lower costs**

### Digital Health & Tech Utilization
- **Emergence & Convergence in Digital Health**
- **Cybersecurity** is a Priority; 8 of the many data breaches seen in 2018 across the industry accounted for over **1 million exposed health records**

### Widespread Data Availability
- **65 million clinical docs exchanged** thru Carequality framework
- **NextGen sent & received 190 million Secure Direct Messages**
Broad spectrum of risk-based arrangements

**Full Risk**
- Clinical Cost Drivers
- Practice Pattern Variations
- Patient Engagement
- High Cost Claim Management
- Actuarial Services

**Partial Risk**
- Pre-visit Planning
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- Predictive Analytics
- Patient Cohorts
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**Quality Incentive**
- Measures
- Performance to Targets
- Trending
- Gaps in Care
- Patients Not Seen

**Capabilities required to take on risk**
### Workflow enhancements, regardless of FFV vs VBC

**Practice workflow**

<table>
<thead>
<tr>
<th>Deliver care</th>
<th>Engage patients</th>
<th>Manage practice</th>
<th>Get reimbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ All care decisions informed by patient risk profile (e.g., decision support)</td>
<td>▪ Patient compliance tools (e.g., via targeted outreach based on care protocol)</td>
<td>▪ Efficiencies to lower costs (e.g., auto schedulers, pre-visit planning, automated data entry)</td>
<td>▪ Streamlined billing, including patient responsibility</td>
</tr>
<tr>
<td>▪ Patient’s risk profile continuously assimilate new information (e.g., risk coding)</td>
<td>▪ Preventative approaches to minimize high acuity episodes</td>
<td></td>
<td>▪ Revenue maximizing moves based on terms and conditions specific to the risk contract (e.g., risk-sharing, risk-bearing, gain-sharing)</td>
</tr>
<tr>
<td>▪ Automation creates hyper-efficiency to lower costs, (e.g., automated Rx approvals)</td>
<td>▪ High-touch, low effort patient experience to maximize quality (e.g., connections to ecosystems, patient education)</td>
<td></td>
<td>▪ Evidence-backed, comprehensive view of patient population to correctly quantify risk and validate billing</td>
</tr>
<tr>
<td>▪ Patient-first approach, enabled by automation (e.g., voice-enabled record updates to keep focus on patients)</td>
<td>▪ Patient access to lower cost-of-care modalities (e.g., telemedicine)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PH & EHR**

**PH, Telehealth, Portal**

**Reg, Sched, PM**

**PM & RCM**

**Workflow enhancements benefit organizations in risk-bearing, risk-sharing, and FFS arrangements**
Entities taking on risk continue to migrate up the continuum.

**Capabilities required to take on risk**

**Full Risk**
- Clinical Cost Drivers
- Practice Pattern Variations
- Patient Engagement
- High Cost Claim Management
- Actuarial Services

**Partial Risk**
- Quality Incentive +
  - Pre-visit Planning
  - Risk Stratification
  - Predictive Analytics
  - Patient Cohorts
  - Resource Utilization
  - Care Management
  - Transitions of Care
  - Network Design & Management

**Quality Incentive**
- Measures
- Performance to Targets
- Trending
- Gaps in Care
- Patients Not Seen

---

Population Health Management Capabilities

Risk Management Capabilities

NXGN’s Target VBC Client Base

Multi-Specialty

FQHC

Primary Care

Surgical Specialties

FFS

P4R

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Current portfolio addressed the FFS opportunity

*Patient Access market need defined as Reg & Sched capabilities

**Patient Engagement market need defined as basic MU Portal functionality

Yesterday’s A’s and B’s will become tomorrow’s C’s & D’s in VBC

Key to VBC:
1. Engage the Patient (GAP) and
2. Improve Provider Efficiency (GAP)

*Patient Access market need defined as Reg & Sched capabilities

**Patient Engagement market need defined as basic MU Portal functionality
A modern platform will enable the transition

Deliver a modern platform with distinct systems of record, engagement, and intelligence that will enable NextGen to:

1. Support multiple consumers
2. Offer holistic experience through a containerized model
3. Create an optimized data universe
4. Decouple algorithms from underlying data sources.

The platform will support the following core capability sets:

1. A highly efficient configuration layer with common data toolsets
2. A unified data model which can cross-reference multiple data sources for analysis
Identifying value-based care capabilities

**Patient Access**
- CRM / Campaigns
- Virtual Visit
- Medical History
- Lab Results
- Online Bill Pay
- Patient Education
- Patient Cost
- Appt. Reminders
- Patient Intake
- Prior Balance
- Pre-Reg
- Digital Check in

**Care Coordination & Management**
- Care Team Admin
- Longitud. Record
- Post-Care Follow-up
- Auto Pt Interaction
- Behavioral Incentives
- Patient Education
- Referral Mgmt
- Care Plan Creation
- Cohort Attribution
- Care Team Tasking
- Gaps in Care
- Health Literacy
- Pre-visit Planning

**Contractual Risk Management**
- Cost Cycle
- Practice Optimiz.
- Financial Modeling
- Incentive Alignment
- Gain Sharing
- Risk Contracts
- Prescript. Analytics
- Physician Compens.
- Practice Variation
- Network Creation
- Risk Adjud.
- Cost / Qual Fusion
- Resource Utilization
- Clinical Mgmt
- Financial Mgmt

**Cross-Platform Capabilities**
- Multi-Modal Communications
- Longitudinal Profile & Record of Engagement
- Cohort Creation / Management
- Analytics (Practice Operations) & Benchmarks
- EMPI
- Automated Task Management

- Represents Partial Capability Today
### Prioritizing buy-build-partner – *pre-M&A effort*

<table>
<thead>
<tr>
<th>Required Capability</th>
<th>Build/Buy</th>
<th>Patient</th>
<th>Clinician</th>
<th>Plan Admin</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Access</td>
<td></td>
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<tr>
<td>Virtual Visits</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Medical History</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Appointment Reminders</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Patient Intake</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Lab Results</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Prior Balance</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Pre-Registration / Pre-Visit Planning</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Online Bill Pay</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Digital Check-In</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Patient Education / Health Literacy</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Patient Cost</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<td>Patient Satisfaction</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Patient Cost / Price Analyzer</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>CRM / Campaigns</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Multi-Sourced Longitudinal Record</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Care Plan Creation / Content Engine</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Patient Outreach</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>A-Sync. Communication</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Referral Management</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Cohort Builder</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Care Team Tasking</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Post-Procedure Care Plans</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Social Determinants of Care</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Patient-Derived Data Analytics</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Auto-Patient Interaction</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Behavioral Incentives</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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<tr>
<td>Gaps in Care</td>
<td>Build</td>
<td>Buy</td>
<td>Partner</td>
<td>Assess.</td>
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</tbody>
</table>

**Capability Status:**
- Limited
- Emerging
- Full

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Capabilities added to the portfolio

Patient Access
- CRM / Campaigns
- Virtual Visit
- Medical History
- Lab Results
- Online Bill Pay
- Patient Cost
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- Cost
- Patient Sat.
- Appt. Reminders
- Patient Intake
- Prior Balance
- Pre-Reg

Care Coordination & Management
- Care Team Admin
- Longitud. Record
- Post-Care Follow-up
- Behavioral Incentives
- Referral
- Gaps in Care
- Pre-visit Planning
- Automation
- Literacy
- Pre-visit Planning

Contractual Risk Management
- Cost Cycle
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- Physician Compens.
- Practice Variation
- Network Creation
- Risk Adjud.
- Cost / Qual Fusion
- Resource Utilization
- Clinical Mgmt
- Financial Mgmt

Organic Development Efforts, leverage acquired technologies

Accelerated our Position through M&A

Cross-Platform Capabilities
- Multi-Modal Communications
- Longitudinal Profile & Record of Engagement
- Cohort Creation / Management
- Analytics (Practice Operations) & Benchmarks
- Automated Task Management

1 Represents Partial Capability Today
Patient experience platform leader

Over 16 million patients on the platform

HIPAA, PCI-DSS Level 1-compliant, HITRUST, ONC HIT Certified. Data security is mission-critical

41,000+ Providers actively served through Medfusion Portal

Handle 600,000 patient medical records monthly from 40 different EMR/Portal systems

More than $1 billion in patient payments processed

50 million+ transactions processed annually
Dr. Robert Murry
Chief Medical Informatics Officer

Dr. Betty Rabinowitz
Chief Medical Officer
Ambulatory care platform

Engagement Platform

Telehealth

Mobile

APPOINTMENT
PRE CHECK-IN
PRE-VISIT
PLANNING
VISIT
BILLING &
PAYMENT
POST-VISIT &
HEALTH
MANAGEMENT

EHR/PM
EHR/PM
EHR/PM
EHR/PM
EHR/PM

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Loyal, engaged patients

Medfusion Patient Engagement Platform
• Portal: messages, med refills, view chart (PHR)
• Online Scheduling w/ rules
• Online Check-in
• Medfusion Pay
• Patient Satisfaction/Outcomes Surveys
• Physician Reputation Management
Online appointment scheduling rules

1. Schedule an Appointment - Tinea
   - (1)
   - Is the need for an appointment related to a current footcare or recent hospital release?
   - (2)

2. Yes
   - Please call your local Ma...
   - (1)
   - Is the patient under 18?
   - (3)

3. Yes
   - (1)
   - No
   - (1)

4. Which body part are you needing to be seen for?
   - (3)
Telemedicine

70% of Americans say they are interested in using telemedicine

• Otto Telehealth
  • Any device, no app to download
  • Integrated with EHR/PM (& Mobile)
  • Capture consent, complete forms, collect copay
  • Share screen, pass documents, 3-way calls
Telemedicine – *what patients are saying*

“Easy to use, saved two hours of driving, easy to understand my doctor. 10/10 would recommend telehealth visits to everyone I know.”

“Stressless, easy to do, I love that I can see my therapist XXX and I feel as if she's right here with me. She can still provide the same care and insight without physically being present.

This is a wonderful way to get care. I wish all my doctors could do this. It would make life so much better... Please continue these amazing video visits. It makes life so much easier for everyone!”

Patient survey responses post virtual visit
### What Contributes Most to Your Burnout?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too many bureaucratic tasks (e.g., charting, paperwork)</td>
<td>59%</td>
</tr>
<tr>
<td>Spending too many hours at work</td>
<td>34%</td>
</tr>
<tr>
<td>Increasing computerization of practice (EHRs)</td>
<td>32%</td>
</tr>
<tr>
<td>Lack of respect from administrators/employers, colleagues or staff</td>
<td>30%</td>
</tr>
<tr>
<td>Insufficient compensation/reimbursement</td>
<td>29%</td>
</tr>
<tr>
<td>Lack of control/autonomy</td>
<td>23%</td>
</tr>
<tr>
<td>Government regulations</td>
<td>20%</td>
</tr>
<tr>
<td>Feeling like just a cog in a wheel</td>
<td>20%</td>
</tr>
<tr>
<td>Emphasis on profits over patients</td>
<td>17%</td>
</tr>
<tr>
<td>Lack of respect from patients</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Medscape National Physician Burnout, Depression & Suicide Report 2019
Engaged, productive clinicians

NextGen Mobile
• Ease of use & speed
• Flexibility in workflow & documentation
• Partnering to provide AI
  • Create orders or make coding suggestions from speech
Engaged, productive clinicians

Tackling Physician Burnout

- EHR usability
- Leverage care team
  - Interoperability
  - Pre-visit planning, team huddles, delegation, etc.
- Flexibility for workflow experimentation and continuous optimization
Evolved market requirements for specialized care

Care model

- Behavioral MCO
- Poly-Chronic Center
- Enablement
- Communication
- Coordination
- Support services
- Place of residence
- End-of-life care

Shared savings or % of premium

MCOs

At home/institution

Virtual care

At the clinic

Member

The core care team is responsible for coordination (gets what is needed, when it is needed, where it is needed)

Care team

- Physician/clinical leader and "quarterback" for the member's care
- Advanced Practice Provider (NP/PA)
- Patient Navigator
- RNs/MAs
- Social worker
- Behavioral health resource team
  - Dietician
  - Pharmacist
  - Receptionist
  - Office manager

The Core Team manages the individual concurrently and throughout all stages of health services

- Transportation
- Pharmacy
- At-home monitoring

Feedback loops (County-PCP-MCO-Housing)

- Referrals
- Test-order verification
- County programs (MH/MR, O&A rehab, Office of Aging)

- In-hospital protocols
- Discharge management
- Emergency care

- Education
- Dietary counseling
- Family support and counseling

- Shelters and housing
- Meal delivery
- Home health
- Nursing homes

- Hospice care
- Palliative care
- Survivorship
Care management

Current Initiative Documentation View

- Pre-visit planning
- Transitions of Care with ADT information
- Huddle documents
- Access to care mgmt. notes from Pop Health Sync
- Enroll patients in multiple care management programs
- Analytics on CM effectiveness

Patient Summary View

- General
- Behavioral Health
- Diabetes
- Chronic Disease
PHM outreach

Care management program Administration and workflows (multiple referral and enrollment workflow modalities program analytics)

Documentation - comprehensive care management notes including screening tools such as SDoH health literacy, patient and team goals and barriers

Pre-population of notes with known patient data

Rule engine-driven patient-specific, editable care plans.

Expanded Functionality Wireframe

Care Plan displayed in Patient Profile
Connected health & interoperability

Cross-Platform Capabilities

- Multi-Modal Communications
- Cohort Creation / Management
- EMPI
- Longitudinal Profile & Record of Engagement
- Analytics (Practice Operations) & Benchmarks
- Automated Task Management

Health Data Hub

NextGen HEALTH DATA HUB

NextGen Share

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# NextGen data exchange by the numbers

<table>
<thead>
<tr>
<th>Million sent &amp; received secure Direct Messages†</th>
<th>Million directory addresses in NextGen Share (largest in nation) †</th>
<th>Million clinical docs exchanged thru Carequality‡</th>
<th>Million patient records in the NextGen Record Locator Service†</th>
</tr>
</thead>
<tbody>
<tr>
<td>190</td>
<td>1.9</td>
<td>65</td>
<td>82</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Of all clinical exchanges are with a non-NextGen system†</th>
<th>Million clinical registry document submissions‡</th>
<th>Million clinical docs exchanged with insurance cos. &amp; payers‡</th>
<th>Million Carequality queries from external systems / month†</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>28</td>
<td>6.5</td>
<td>75</td>
</tr>
</tbody>
</table>

Jamie Arnold
Chief Financial Officer
## Revenue trends

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>FY19 Q2</th>
<th>FY19 Q3</th>
<th>FY19 Q4</th>
<th>FY20 Q1</th>
<th>FY20 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Services</td>
<td>$29.3</td>
<td>$30.0</td>
<td>$29.9</td>
<td>$30.1</td>
<td>$31.4</td>
</tr>
<tr>
<td>Support and Maintenance</td>
<td>39.6</td>
<td>39.7</td>
<td>40.2</td>
<td>39.7</td>
<td>39.4</td>
</tr>
<tr>
<td>Managed Services</td>
<td>23.5</td>
<td>24.3</td>
<td>24.2</td>
<td>25.7</td>
<td>25.2</td>
</tr>
<tr>
<td>EDI and Data Services</td>
<td>23.9</td>
<td>23.5</td>
<td>25.9</td>
<td>24.0</td>
<td>24.6</td>
</tr>
<tr>
<td><strong>Total Recurring Services</strong></td>
<td>116.3</td>
<td>117.5</td>
<td>120.2</td>
<td>119.5</td>
<td>120.6</td>
</tr>
<tr>
<td>Software License and Hardware</td>
<td>9.4</td>
<td>9.2</td>
<td>9.1</td>
<td>7.1</td>
<td>8.3</td>
</tr>
<tr>
<td>Other Non-Recurring Services</td>
<td>4.6</td>
<td>4.2</td>
<td>5.5</td>
<td>5.3</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Total Non-Recurring</strong></td>
<td>14.0</td>
<td>13.4</td>
<td>14.6</td>
<td>12.4</td>
<td>13.7</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$130.3</td>
<td>$130.9</td>
<td>$134.8</td>
<td>$131.9</td>
<td>$134.3</td>
</tr>
</tbody>
</table>

- Long term growth driver based on new offerings
- Low single-digit decline
- Consistent mid single digit growth
- Steady, modest increase
- Decline due to market saturation and change of preferences
- Modest growth tied to subscription growth
Recurring revenue percent of total

- Recurring service revenue, consisting of software related subscription services, support and maintenance, managed services, and EDI and data services
Quarterly bookings growth materializing
Investment focus in FY20

R&D

– Continued steady investment in NGE
  • Usability, Upgradability, Automation & Performance
  • Tailored Workflows with the Adaptable Content Engine – new version of KBM
  • Specialty Content and Workflows for Named Specialties (BH, FQHC, Musculo, Opth’y)
  • Patient Portal Improvements (Online Appointment Scheduling) with recent acquisition
    focus now turns to improving patient experience platform
  • Integrated Analytics and Telehealth

– Continued investment in NGO
  • AR Management
  • Enhanced Scalability & Automation
  • API

– Scaling investment in Mobile and Analytics / PopHealth

SG&A

– Increased capability to allow us to scale bookings without requiring proportional increase in headcount in the future
Path to operating margin expansion

• **Revenue will grow** at mid to high single digit rate.

• **Gross Margin will moderate slightly** as we work through shift to more subscription and services business but we will drive gross profit growth through revenue expansion

• **Net R&D will first increase and then moderate** both in nominal value as well as percentage of revenue. We will continue to invest in legacy product lines but at a lower rate as tech deficiencies have been remediated
  - Ability to increase funding for faster growing new offerings
  - Invest in the new Microservices Platform

• **SG&A will start to moderate** as % of revenue as we move into FY21 and beyond as revenue growth exceeds expense expansion
## Balance sheet

<table>
<thead>
<tr>
<th>$ in Millions</th>
<th>FY20 Q2</th>
<th>FY19 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$42.9</td>
<td>$33.1</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>83.7</td>
<td>87.5</td>
</tr>
<tr>
<td>Contract assets</td>
<td>12.0</td>
<td>13.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>31.4</td>
<td>26.1</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>$170.1</strong></td>
<td><strong>$159.9</strong></td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>402.8</td>
<td>373.0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$572.8</strong></td>
<td><strong>$532.9</strong></td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>54.1</td>
<td>56.0</td>
</tr>
<tr>
<td>Credit facility</td>
<td>-</td>
<td>11.0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>127.6</td>
<td>89.9</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$181.7</strong></td>
<td><strong>$156.9</strong></td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>$391.1</td>
<td>$375.9</td>
</tr>
<tr>
<td><strong>Total liabilities &amp; shareholders’ equity</strong></td>
<td><strong>$572.8</strong></td>
<td><strong>$532.9</strong></td>
</tr>
</tbody>
</table>

- **DSO of 57 days**
- **$281M\textsuperscript{1} available on line of credit**
- **At the end of Q2 FY20, total excess liquidity of $324M\textsuperscript{2}**

\textsuperscript{1} Total credit facility of $300M, adjusted for 3x maximum leverage ratio
\textsuperscript{2} Available line of credit plus cash
## FY20 guidance

<table>
<thead>
<tr>
<th></th>
<th>FY19 Actual</th>
<th>Previous FY20 Range</th>
<th>Updated FY20 Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$529M</td>
<td>$536 - 550M</td>
<td>$540 - $550M</td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td>$0.86</td>
<td>$0.82 - $0.90</td>
<td>$0.79 - $0.85</td>
</tr>
</tbody>
</table>

**Long Term Outlook:**
- Revenue will grow at increasing pace from mid to high single digits by 2023
- Earnings will be relatively flat until FY2023 due to the increased investment
Rusty Frantz
President and Chief Executive Officer
Summary

• We have expanded our solution, become a partner to our clients, and built organizational capabilities

• We have recently stepped back and refreshed our strategy in light of quickening pace of healthcare transformation

• We will expand investment to capitalize on this transformation and deliver accelerated growth

• We have already started innovating towards this new reality, as best exemplified by the expansion of pop health capabilities, the recent acquisition of patient engagement capabilities, and the acquisition of a robust modern technology platform

These activities and investments will position us well for future growth as we become the preferred solutions provider and trusted advisor for risk-bearing entities.
Thank You