Memorial Care buys Bristol Park Medical Group
Memorial Care buys Greater Newport Physicians
United Healthcare buys Monarch IPA (Optum)
DaVita buys Healthcare Partners – 4.4 Billion
WellPoint- Optum buys CareMore Medical Group
2012 RACE TO INTEGRATE SOUTHERN CALIFORNIA

WHY NOW?

- Affordable Care Act
- ACO’s
- Health Care Exchanges (Medical/Low Income)
- Dual Enrollee’s
- Fewer Dollars ($) = greater competition for what’s left
- Increased competition for who will be at top of food chain
  - Payors
  - Doctors (Medical Groups)
  - Hospital Systems
- New breed of Doctors – want different things
  - Regular hours (minimum call)
  - Lifestyle
  - Compensation based on employment, not production
Major Challenges of Integration

- Negotiate & Implement Shared governance
- Agreement on equitable share of premiums
- Changing culture where incentives focused on
  - Quality (outcomes)
  - Patient Satisfaction
  - Utilization based on evidence based medicine
- Changing traditional FFS/managed care model to one focused on disease & population management
- Physician Shortage
- Successful Implementation & adoption of EMR & HIE
- Transition of independent physician into a medical group environment & less flexibility
- Potential competition for control by vested parties – None of which have the leadership and/or experience on their own.
  - Hospital System Management
  - Medical Group/IPA management
  - Payor Management
- Ability to manage risk, after many failures
2012 RACE TO INTEGRATE SOUTHERN CALIFORNIA

PAYOR

Quality Value Service Evidence Based Medicine

Hospital System

Medical Group

PATIENT

MEDICAL HOME

SNF HOMECARE

PHARMACY DISEASE MGMT
2009

Valley Health System (VHS)
- 3 Hospitals, SNF, Chemical Recovery
- Chapter 9 Bankruptcy
- Heavy Managed Care + Failed “Risk Progress”
- 2 Major Medical Groups – Prime Care, HCMG
- Poor Reputation, Years of negative Press
- Grossly under capitalized & aging facilities
- Changing Riverside demographics (age, ethnic, etc.)
October 2010

Physicians for Healthy Hospitals (PHH)
- Sale to 22 local Physicians
- Exit bankruptcy
- Resolution of outstanding DPH & CMS Issues
- Restore Physician and public confidence
- ER/wait time & service
- Position press & community relations
- Change county hospital culture (AIDET)
- Improve operating systems from admitting to discharge plan
- Rebuild & restore integrative culture with medical group (HCMG)
- Shared risk agreements (Scan, Aetna, InterValley)
- Reduce LOS from 5.2 – 3.8 LOS
- Continued Improvement in Core Measures & Patient Satisfaction Score
- By Law adoption
PHYSICIANS FOR HEALTHY HOSPITALS

August 2012

- Initiate ACO
  - ER Physician
  - Radiologists
  - Anesthesiologists
  - Pathologists (Pending)
  - Hospitalists
  - Others
- EMR + New Service (Cardiac)
- Continued focus on maintaining low cost
  - Reduced reimbursement
  - Exchanges & Medical growth
- Capital infusion to move forward
PHYSICIANS FOR HEALTHY HOSPITALS

PHH

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KM

Primary Care

Hospitals - Hospital based MD’s - Specialists

Shared Risk

HCMG