Planning For Turbulence In The Years Ahead: How To Diversify Your Revenue Streams & Develop Marketable New Services

The 2017 OPEN MINDS Management Best Practices Institute
Wednesday, August 16, 2017 | 2:00pm – 3:15pm

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I. Diversification As An Option
II. Prioritizing & Selecting Diversification Opportunities
III. From Concept To Implementation: Your Best Practice Model For New Service Line Development
IV. Case Study: Peggy Chase, President & CEO, Terros Health
V. Questions & Discussion
Diversification As An Option
Service Line & Portfolio Analysis Answers The Question: “Do You Have The Services You Need For Future Sustainability?”

Aids in deciding which services to:
- Phase out or eliminate
- Make investments in
- Optimize and improve
- Uses visual models to analyze service lines

A strategic tool for resource allocation decisionmaking (money and people!)
- We wouldn’t need to be “strategic” about our planning if we had unlimited resources — we could just plan

Goal is optimal use of resources to achieve strategic objectives
What Is Diversification?

A risk-reduction strategy that involves spreading assets across a mix of service lines, consumer groups, and payers

A strategy in which an organization introduces itself to products / target markets not previously in its realm of experience

Decision driven in part by portfolio analysis
Revenue Diversification & Risk

- New Customers
  - Moderate Risk
  - New Services
  - Greatest Risk
  - Current Services
- Current Customers
  - Least Risk
  - Moderate Risk
Prioritizing & Selecting Diversification Opportunities
More Ideas Than Time Or Money

Problem is often there are more ideas for new service lines than time or money to evaluate and implement.

Recommend metrics-based ranking model to evaluate new service line ideas – with the goal of reducing the number that move to service line feasibility analysis and development process.
Where Do New Service Ideas Come From?

- Market intelligence – macro-market monitoring, competitor analysis, etc.
- Monitoring and analyzing customer (consumer, payer, referrer, etc.) needs
- Staff experience and ideas
- Your strategic planning process
**OPEN MINDS Process For Metrics-Based Evaluation Of New Business Opportunities**

1. Develop an itemized list of business development opportunities for consideration
2. Develop a list of factors or metrics to be used in evaluating new business opportunities
3. Develop a scoring scale for each metric
4. Assign weights to each metric – reflecting organizational priorities
5. Research and score each business opportunity, using the key metrics and weighting of metrics to rank the business opportunities
6. Qualitative research and discussion of each of the top-rated opportunities for final selection for formal feasibility analysis
#1. Develop List Of Innovation Opportunities For Consideration

- Service line extensions
- New payer for current services
- New markets for current services
- New services for current customers
- New services for new markets
**Example: Business Development Opportunities**

<table>
<thead>
<tr>
<th>New Business Development Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider adding an adoption license for foster care operations</td>
</tr>
<tr>
<td>Expand foster care operations beyond current counties</td>
</tr>
<tr>
<td>Develop a treatment foster care service – in anticipation of October 2011 consent decree requirements</td>
</tr>
<tr>
<td>Develop an unsolicited proposal for State of re: Medicaid carve-out for services for foster children (health plan, PIHP, and XXXX) – capitated rate for physical health, mental health, and child welfare services</td>
</tr>
<tr>
<td>Expand in-home care services to include contracts with all third-party payers in the 15-county area</td>
</tr>
<tr>
<td>Expand in-home care services to include private pay collection capability</td>
</tr>
<tr>
<td>Expand intensive in-home care service line offering to include addiction treatment services</td>
</tr>
<tr>
<td>Expand intensive in-home care service line offering to integrate e-health services</td>
</tr>
<tr>
<td>Develop an in-home substance treatment program for the in-home services program</td>
</tr>
<tr>
<td>Develop contracts with other counties for residential diversion program (note: rebranding needed)</td>
</tr>
<tr>
<td>Expand day treatment/residential diversion program to include youth with behavioral health diagnoses and/or low IQ</td>
</tr>
<tr>
<td>Offer the day treatment/residential diversion program as a respite program and a crisis respite program (Medicaid reimbursable)</td>
</tr>
<tr>
<td>Expand suspension center services to more school systems</td>
</tr>
<tr>
<td>Increase out-of-state referrals to SRY program</td>
</tr>
<tr>
<td>Develop per diem/case rate program for SRY program that includes both residential and community-based treatment for sex offender population</td>
</tr>
<tr>
<td>Expand CBTC model (residential/community-based service mix) to JJ systems in other jurisdictions</td>
</tr>
<tr>
<td>Increase referrals to emergency shelter care services</td>
</tr>
<tr>
<td>Explore demand for emergency foster care families</td>
</tr>
<tr>
<td>Expand range of services that can be offered via in-home service delivery under Medicaid</td>
</tr>
</tbody>
</table>
#2. Develop List Of Metrics To Evaluate New Business Opportunities

- Current market potential
- Degree of competition
- Revenue growth opportunities
- Capital and cash flow requirements
- Operational at a profit margin in the short-term
- Other?
**Example Of Service Line Evaluation Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has considerable market potential and revenue growth opportunities for XXXX</td>
</tr>
<tr>
<td>Has minimal capital requirements</td>
</tr>
<tr>
<td>Can be operated at a profit/margin in the short-term</td>
</tr>
<tr>
<td>Can be operated at a profit/margin in the long-term</td>
</tr>
<tr>
<td>Has few competitors or competitors that XXXX can reasonably compete with</td>
</tr>
<tr>
<td>Requires core competencies that XXXX has or can reasonably obtain</td>
</tr>
<tr>
<td>Has minimal risk of failure</td>
</tr>
<tr>
<td>Improves market positioning and revenue diversification strategies</td>
</tr>
<tr>
<td>Significantly furthers XXXX mission and target population</td>
</tr>
<tr>
<td>Significantly increases XXXX ‘s “impact” on the number of children, families, and professionals it serves</td>
</tr>
</tbody>
</table>
#3. Develop Scoring Scale For Each Metric

Each metric needs a scoring measure

- Maximum (positive) score
- Minimum (negative) score

For example, maximum score of 5 and minimum score of 1
#4. Assign Weights To Each Metric – Reflecting Organizational Priorities

Each score weighted to reflect relative importance of that metric in decision making about new service line investment
## Service Line Metrics With Scoring & Metrics Weighting

<table>
<thead>
<tr>
<th>Metric</th>
<th>Max Score</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has considerable market potential and revenue growth opportunities for XXXX</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Has minimal capital requirements</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Can be operated at a profit/margin in the short-term</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Can be operated at a profit/margin in the long-term</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Has few competitors or competitors that XXXX can reasonably compete with</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Requires core competencies that XXXX has or can reasonably obtain</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Has minimal risk of failure</td>
<td>3</td>
<td>2</td>
</tr>
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<tr>
<td>Significantly furthers XXXX mission and target population</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Significantly increases XXXX’s “impact” on the number of children, families, and professionals it serves</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
#5. Score Each Business Opportunity

Conduct necessary research to evaluate each business opportunity against each metric

- Industry knowledge of team
- Secondary market research sources
- KOL interviews

This part of process demands industry knowledge and time
### Example Of “Short List” Based On Rating

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand use of e-health services through aftercare/in-home services program</td>
<td>61</td>
</tr>
<tr>
<td>Expand range of services that can be offered via in-home service delivery under Medicaid through aftercare/in-home services program</td>
<td>59</td>
</tr>
<tr>
<td>Expand foster care operations beyond current counties</td>
<td>58</td>
</tr>
<tr>
<td>Develop contracts with other counties for residential diversion program (note: rebranding needed)</td>
<td>58</td>
</tr>
<tr>
<td>Increase out-of-state referrals</td>
<td>58</td>
</tr>
<tr>
<td>Increase referrals to emergency shelter care services</td>
<td>56</td>
</tr>
<tr>
<td>Develop or acquire Medicaid provider license to operate Medicaid outpatient MH and SA services to youth and families in XXXX County</td>
<td>55</td>
</tr>
<tr>
<td>Develop third-party payer contracts for aftercare/in-home services program</td>
<td>54</td>
</tr>
<tr>
<td>Explore out-of-state demand in for emergency foster care families</td>
<td>53</td>
</tr>
<tr>
<td>Develop a treatment foster care service – in anticipation of October 2011 consent decree requirements</td>
<td>52</td>
</tr>
<tr>
<td>Expand Residential Transitional Reintegration Support (RTRS)</td>
<td>52</td>
</tr>
<tr>
<td>Expand suspension center service for younger students</td>
<td>51</td>
</tr>
<tr>
<td>Expand foster care services beyond XXXX County</td>
<td>51</td>
</tr>
<tr>
<td>Develop private pay capacity for aftercare/in-home services program</td>
<td>51</td>
</tr>
<tr>
<td>Expand supervised independent living program (SIL)</td>
<td>51</td>
</tr>
<tr>
<td>Expand intensive O/P substance abuse treatment program</td>
<td>51</td>
</tr>
<tr>
<td>Develop or acquire secure residential treatment facility for boys to operate services for XXXX County</td>
<td>50</td>
</tr>
</tbody>
</table>
#6. Final Selection Of “Short List” For Formal Service Line Development With Feasibility Analysis

- Review the highly-rated ‘short list’
- Additional qualitative research
- Team discussion
- Final selection for formal feasibility analysis
From Concept To Implementation: Your Best Practice Model For New Service Line Development
“Framework” Decisions About New Services Part Of Strategic Planning

1. Review/Establish Mission/Vision/Objectives
2. Gather External Information/External Analysis – Trends & Competitors
3. Gather Internal Information/Internal Analysis – Service Portfolio Analysis
4. Identify Options for Achieving Objectives & Strategy Scenarios – Develop Strategy
6. Develop Operational Plans – Marketing and Business Development, Human Resources & Information Technology
7. Develop Budget & Financing Plan
8. Develop Detailed Implementation Action Plan & Key Performance Indicators
OPEN MINDS Process For Metrics-Based Evaluation Of Potential New Service Lines

1. Develop an itemized list of new service lines for consideration
2. Develop a list of factors or metrics to be used in evaluating new service lines
3. Develop a scoring scale for each metric
4. Assign weights to each metric – reflecting organizational priorities
5. Research and score each service line, using the key metrics and weighting of metrics to rank the service line
6. Qualitative research and discussion of each of the top-rated opportunities for final selection for formal feasibility analysis
Moving From An Idea To Implementation Has Two Phases

**Phase I: Feasibility analysis phase**
- Define the new service line
- Analyze market and competition for the new service line
- Financial feasibility analysis

**Phase II: Design and development phase**
- Service line design
- Service line launch preparation
- Service line launch management
- Service line launch and pilot test
Phase I: Service Line Feasibility Analysis

Step 1 • Service line definition

Step 2 • Analyze market and competition

Step 3 • Financial feasibility analysis
Step 1: Service Line Definition

Develop an operational description of the new service line

Identify the target markets – payers, consumers, and referral sources – for the new service line

Create a proposed pricing or payment structure for the new service line

Identify the sales/distribution channels for the new service line, with a description of how sales would be made

Review step 1 information – make a go/no go decision

For each service line, describe:

- Operational description
- Target markets and customers
- Pricing or payment structure
- Cost data and operational parameters
Evaluation Of Customer Value Perceptions

- Customer needs must be the primary driver of what service is offered
- Customer needs and perceived benefits dictate service features
- Understand customer value proposition
- Customer perceptions, value of service features, and competition dictate pricing
Step 2: Analyze Market & Competition

Define the specific characteristics of the market (payers, consumers, and referral sources) with metrics

Develop a formal analysis of opportunities and threats in creating the new service line

Profile each competitor currently offering the service line (or a replacement service line) and their service line offering (customers, cost, features, benefits, USP, etc.)

Review step 2 information – make a go/no go decision
Evaluation of the competitive environment

- What does the competition charge – and what is their rate structure?
- What does the competition offer/not offer?
- How does the competition position itself in the market space?
- How can/should your positioning differ?
Step 3: Financial Feasibility Analysis

Outline the proposed design of the new service line
- Identify specific programmatic core offerings – processes, protocols, etc.
- Determine the basic organizational structure of the new service line (staffing, reporting relationships, etc.)

Conduct financial analysis
- Conduct target costing and determine market-based price points for the new service
- Establish tentative price range based on desired positioning and competitive landscape
- Preliminary breakeven analysis for new service

Review step 3 information – Make a go/no go decision
Feasibility Analysis Key Components

1. Statement of Need
2. Description of Proposed Service
   1. Competitors
   2. Payers
      1. Competitor Rates
      2. Reimbursement Rates
4. Market Positioning & Proposed Reimbursement Rate/Model
5. Operations & Management Models, Including Management & Supervision Model
6. Facility Requirements
7. Clinical Profile of Clients Served & Expected Program Outcomes
8. Projected Annual Volume
9. One-Time Development Costs
10. Operating Budget
11. Revenue Projections
12. Expense Projections
13. Profit/Loss Projections
14. Breakeven Analysis & Assumptions
15. Capital Requirements
Rate Setting Using Target Costing: Required In Competitive Markets

Customer Needs (Service, Features, Pricing)

Competitor Analysis (Service, Features, Positioning)

Target Market Position & Market Price

Target Cost

Competitive markets require you to reengineer your operating assumptions and budget based on payer demand and competitive pricing.
Develop Break-Even Analysis Is Based On Market Pricing, Target Costing, & Sales Assumptions

An analytical technique for studying relationships between fixed cost, variable cost, and profits

Visual interrelationship of sales price, sales volume, fixed costs, variable costs, and total costs

Breakeven point represents volume of sales at which total costs equal total revenues (when profits equal zero)
Feasibility Analysis Is Key To “Go/No Go” Decision
Phase II: Design & Development

Step 1: Service line design
Step 2: Service line launch preparation
Step 3: Service line launch management
Step 4: Service line launch and pilot test
Step 1: Service Line Design

Write a comprehensive service description for market
• Develop proposed Unique Selling Proposition (USP) and market positioning statement

Define and map operational flow
• Identify roles and responsibilities for service delivery – by departments and all staff positions
• Define how new service line delivery and operational departments will interface with one another and in existing organization

Finalize pricing and pricing structure
• Review and validate proposed costs in feasibility analysis
• Conduct modeling to determine ROI and confirm breakeven point, investment capital requirements and cash flow requirements

Review step 1 information – make a go/no go decision
Step 2: Service Line Launch Preparation

Develop operations roadmap
- Develop implementation plan
- Develop productivity standards
- Create service line flowcharts
- Write detailed operations manuals

Conduct final regulatory check

Establish “success” standards
- Define activity-based and performance-based metrics
- Create performance dashboard for new service line launch and new service line operations

Review Step 2 information – make a go/no go decision
Step 3: Service Line Launch Management

**Construct test or ‘pilot’ program model for new service line**
- Anticipate fail points and develop corrective action plans

** Develop marketing and promotional plan **

** Hire and train key staff **

** Develop launch project and tracking plan **

** Review Step 3 information – make a go/no go decision **
Step 4: Service Line Launch & Pilot Test

Implement new service line launch plan

Monitor the implementation via performance metrics and performance dashboard

Create ‘modifications’ to new service based on performance of pilot during launch phase

Reassess service line viability and determine next steps – second pilot, full launch or cancel
Terros Health
Healthcare Transformation Journey

Peggy Chase, President and CEO

OPEN MINDS
Management Best Practices Institute
August 16, 2017
Terros Health: A Leading Behavioral Healthcare Provider in Arizona

- Founded in 1969 as a substance abuse recovery and crisis services provider.
- Through GROWTH and INNOVATION, built services around the behavioral health needs of our patients and the community.
- Known as the go-to BH provider when new service needs arise.
The Beginning of Our Changing Environment

Our payment and care delivery system began evolving in 2011 with new statewide initiatives for behavioral health companies to integrate primary care services into their behavioral healthcare models.
Who Are We Becoming?

A Whole Health Provider:
Terros Health will close the gap between behavioral healthcare and primary medical healthcare needs through the practice of multidisciplinary care and coordination.
Triple Aim

- **Patient Experience**
  Improve the experience of each individual

- **Quality**
  Improve the health of the community members

- **Costs**
  Improve the cost of care
Where is Healthcare Going in Arizona?
State of Arizona Changes: Medicaid Health System Integration

Where we have been . . .

- State Agency – Arizona Health Care Cost Containment System – AHCCCS
  - Managed Care from 1980s at inception
  - Nationally renowned for being cost effective
- Manages Medicaid and Medicare for Arizona
- Arizona operates a behavioral health carve-out
- Arizona Division of Behavioral Health Services (DBHS) contracted with managed care Regional Behavioral Health Authorities (RBHAs)
  - Three managed care RBHAs, each over one state region

Where we are going . . .

- Arizona DBHS moves into AHCCCS on July 1, 2016 creating a carve-in
- Issuing Integrated Contractors RFP for health plans this fall
  - Payers must bid for both physical and behavioral health
  - Payers must have a network providing integrated services
- Expectations: All Health Plans and Providers operate with sound and strong business practices
- Providers are responsible for their own financial sustainability – no bailouts
AHCCCS
Arizona Health Care Cost Containment System

Care Delivery System

AHCCCS

Fee for Service System
(AHCCCS Administration)
- American Indian Health Program
  - Federal Emergency
  - Tribal ALTCS IGAs (case management only)
    - TRBHA IGA
      - Colorado River
      - Gila River
      - Navajo Nation
      - Pascua Yaqui
      - White Mountain Apache Tribe

Behavioral Health*
- Mercy Maricopa Integrated
- Health Choice Integrated Care (HIC)
- Cempatica Integrated Care (OIC)

Acute Care
(acute services only)
- Mercy Care Plan
- United Healthcare Community Plan
- Care 1st
- Health Choice
- UFC
- Health Net

Arizona Long Term Care System
ALTCS – E/PD and DD
(acute, behavioral health, long term care services)
- Mercy Care
- Bridgeway
- United Healthcare Community Plan

*Truly integrated contractors for acute and behavioral health services for members with serious mental illness (SMI) and carved out behavioral health services for Acute Care/ID
adults with general mental health and substance abuse needs (GMH-USA) and children.

Children’s Rehabilitative Services
United Healthcare Community Plan
(fully integrated acute, BH and
CRS services)
Vision - Integration at all 3 Levels

Current Configuration:
- Providers
- Health Plan (physical health)
- RBHA
- ADHS/DBHS (behavioral health)
- AHCCCS

Streamlined Configuration:
- Providers
- Health Plan/RBHA (physical & behavioral health)
- AHCCCS

Reaching across Arizona to provide comprehensive quality health care for those in need.
### GAO - Conditions of Members (%)
#### High Expenditure Medicaid Enrollees

<table>
<thead>
<tr>
<th>Condition</th>
<th>Asthma</th>
<th>Diabetes</th>
<th>HIV/AIDS</th>
<th>MH</th>
<th>SUD</th>
<th>Delivery</th>
<th>LTC</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asthma</td>
<td>24.5</td>
<td>3.9</td>
<td>65.1</td>
<td>29.1</td>
<td>6.5</td>
<td>7.3</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Diabetes</td>
<td>18.5</td>
<td>2.6</td>
<td>52.4</td>
<td>23.9</td>
<td>3.1</td>
<td>12.7</td>
<td>29.7</td>
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<tr>
<td>HIV/AIDS</td>
<td>17.9</td>
<td>15.6</td>
<td>48.1</td>
<td>39.4</td>
<td>2.1</td>
<td>7.2</td>
<td>29</td>
<td></td>
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<tr>
<td>MH</td>
<td>17.6</td>
<td>18.7</td>
<td>2.8</td>
<td>26.7</td>
<td>4.0</td>
<td>11.9</td>
<td>42.9</td>
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<tr>
<td>SUD</td>
<td>20.8</td>
<td>22.6</td>
<td>6.0</td>
<td>70.8</td>
<td>4.5</td>
<td>10.2</td>
<td>15.6</td>
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<tr>
<td>Delivery</td>
<td>9.3</td>
<td>5.9</td>
<td>0.7</td>
<td>21.3</td>
<td>9.0</td>
<td>0.5</td>
<td>66</td>
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<tr>
<td>LTC</td>
<td>12.5</td>
<td>28.6</td>
<td>2.8</td>
<td>74.7</td>
<td>24.4</td>
<td>0.6</td>
<td>14.1</td>
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</table>
The Terros Health Transformation
Behavioral Healthcare + Physical Healthcare = Whole Person Healthcare
Patient-Centered Care Management

Patient-Centered Medical Home
Social Determinants of Health = Direct Correlation to Health Outcomes

<table>
<thead>
<tr>
<th>Economic Stability</th>
<th>Neighborhood and Physical Environment</th>
<th>Education</th>
<th>Food</th>
<th>Community and Social Context</th>
<th>Health Care System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>Housing</td>
<td>Literacy</td>
<td>Hunger</td>
<td>Social integration</td>
<td>Health coverage</td>
</tr>
<tr>
<td>Income</td>
<td>Transportation</td>
<td>Language</td>
<td>Access to healthy options</td>
<td>Support systems</td>
<td>Provider availability</td>
</tr>
<tr>
<td>Expenses</td>
<td>Safety</td>
<td>Early childhood education</td>
<td>Higher education</td>
<td>Community engagement</td>
<td>Provider availability</td>
</tr>
<tr>
<td>Debt</td>
<td>Parks</td>
<td>Vocational training</td>
<td></td>
<td>Discrimination</td>
<td>Provider linguistic and cultural competency</td>
</tr>
<tr>
<td>Medical bills</td>
<td>Playgrounds</td>
<td>Higher education</td>
<td></td>
<td></td>
<td>Quality of care</td>
</tr>
<tr>
<td>Support</td>
<td>Walkability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Health Outcomes
- Mortality, Morbidity, Life Expectancy, Health Care Expenditures, Health Status, Functional Limitations
Terros Health Operational Integration

- Programs
- Management
- Employees
Behaviorally Led Medical Home

- Health Home Status
- Federally Qualified Health Center Look-Alike
- NCQA National Health Care Standards
- Patient Centered Medical Home Recognition
Payment Methods

- Per Member Per Month Capitation
- Value Payments for Outcomes
- Fee For Service (Block Purchase)
- Prospective Payments
Value Based Contracts

- Integrated Health Services
- Data into Information
- Social Determinants
- Health Outcomes

$ Incentives $
Changing Our Thinking & Actions

L - Lean Processes
M - Management Protocols
A - Accountability
R - Results
Terros Health Reorganization

Patient Experience Orientation

Chief Transformation Officer

Chief Population Health Officer

Finance and Revenue Cycle Management with Health Care Experience

Expanded Business Intelligence

Capitation Roster Management

Integrated Programmatic Silos – Greater Care Coordination
Key Changes We Made:

- Reimagined Services
- Reset Expectations
- Hired from Health Care
- Higher Competencies
- Lean Processes
- Shift from EHR to EMR
- Roster Management
Key Changes Continued...

- Common Language
- Credentialing Team
- Payer Relations Focus
- Segregated Quality from Compliance
- High Touch/Low Cost Service Focus
- Medical Practice Management Work Flows
- Medical Staffing Support
Diversified Revenue

- FQHC Look Alike Prospective Payment
- Commercial Insurance Revenue
- Health Plan Revenue
  - Contracted with 10 Health Plans
  - Contracted with 54 Health Plan Lines of Business
Primary Care Dashboard
07.25.17

CLINICAL

Provider Activity Rates
May 6 - June 4

<table>
<thead>
<tr>
<th>Clinic / Provider</th>
<th>Patients per day (avg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care Clinic #1</td>
<td>14</td>
</tr>
<tr>
<td>Provider</td>
<td>14</td>
</tr>
<tr>
<td>Care Clinic #2</td>
<td>17</td>
</tr>
<tr>
<td>Provider</td>
<td>17</td>
</tr>
<tr>
<td>Care Clinic #3</td>
<td>6</td>
</tr>
<tr>
<td>Provider</td>
<td>6</td>
</tr>
<tr>
<td>Care Clinic #4</td>
<td>9</td>
</tr>
<tr>
<td>Provider #1</td>
<td>9</td>
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<tr>
<td>Provider #2</td>
<td>4</td>
</tr>
<tr>
<td>Provider #3</td>
<td>4</td>
</tr>
</tbody>
</table>

49.1% New Patient
67.2% Existing Patient
Last month:
44.4% 66.4%

OPERATIONS

• SWOT Team looking at current structure and processes of our primary care services.
• Implemented wave scheduling. Some strategies include scheduling 3 additional patient appointments per day (double booking)
• Using Lyft to transport patients to our locations.
• Adding a registered dietitian.
• Training on coding and billing.

FINANCIAL

Contracted Plans
54

<table>
<thead>
<tr>
<th>Providers Credentialed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider</td>
</tr>
<tr>
<td>Provider #1</td>
</tr>
<tr>
<td>Provider #2</td>
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<tr>
<td>Provider #3</td>
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<tr>
<td>Provider #4</td>
</tr>
<tr>
<td>Provider #5</td>
</tr>
<tr>
<td>Provider #6</td>
</tr>
</tbody>
</table>

MARKETING

Activities
• Overall reach for July tallied at 15,267 unique people. Likes are now at 1,357. Each organic post on average is reaching 300-400 people.
• CEO received the Behavioral Health Services Leadership Award at the ASU Center for Applied Behavioral Health Policy Summer Institute.
• The six locations offering Primary Care are now adorned with large lobby banners, posters and flyers.
• CEO was part of a prestigious panel of influencers on July 25 as part of the Arizona Capitol Times’ Morning Scoop Breakfast Topic was Medicaid and Health Care. Panelists were: State senators, senior vice president of Arizona Hospital and Healthcare Association, and president and CEO of Phoenix Children’s Hospital.

Terros HEALTH

Active Primary Care Patients
May 6 - June 4

<table>
<thead>
<tr>
<th>Clinic</th>
<th># of active patients</th>
<th>last month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinic #1</td>
<td>2,154</td>
<td>2,111</td>
</tr>
<tr>
<td>Clinic #2</td>
<td>1,390</td>
<td>1,317</td>
</tr>
<tr>
<td>Clinic #3</td>
<td>677</td>
<td>643</td>
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<tr>
<td>Clinic #4</td>
<td>173</td>
<td>129</td>
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</tbody>
</table>

Total Active Patients

4,426
Last Month = 4,200
Where We Are Headed

Using analytics to improve the lives and health of our patients

Enhance culture of patients for life

Strengthen collaborations for specialty outside services
Remember . . .

- No Margin, No Mission
- Cash is King
- Turn Dreams into Reality
- Find the ‘Yes’
- Culture of Accountability
- Just Do It!
- Data as Information
- Document Daily
- What is documented is done
- Take Risks
- Fail Fast, Fail Forward
- There are Many Ways to Cross the Room
Vision without action is merely a dream.
Action without vision just passes the time.
Vision with action can change the world.

Joel A. Barker
Questions
Thank you