Future Outlook for Independent Primary Care and Multispecialty Group Practice

Grace E. Terrell, MD, MMM
Founder & Strategist
CHESS
Our Mission:
To empower providers to make the transition to value-based medicine

Our Vision:
To be the force across the nation that builds healthy communities by enabling coordinated and sustainable care

Our Values:
Collaboration, Innovation, Fairness, Integrity
All businesses have the same strategic choices:

- Status Quo
- Sell
- Collaborate
- Innovate
- Transform
Innovation changes how services are delivered.
Opportunities for cost reduction and quality improvement require realignment of the health care ecosystem into a new value chain.
Cornerstone Timeline

1995

January
- Cornerstone Health Care formed
- CHC on EMR

December
- Cornerstone Health Care formed
- CHC on EMR

2000

January
- Westchester Building built
- CHC goes on EMR
- NCQA Medical Home designations

January
- Cornerstone Convenience Care opened at Premier building

2007

January
- 13 CHC practices earn 2011 PCMH Recognition
- COPD Model Launched

March
- FastMed partnership

April
- Cornerstone Convenience Care opened at Westchester building

2008

April
- Personalized Cancer Care w/ embedded Primary Care launched

July
- Shareholders approve Cornerstone Compact

2009

January
- 13 CHC practices earn 2011 PCMH Recognition
- COPD Model Launched

March
- FastMed partnership

2010

April
- Cornerstone Convenience Care opened at Westchester building

July
- Shareholders approve Cornerstone Compact

December
- Gainshares paid out
- Catawba Valley Medical Center signs contract with CHESS
- Received highest quality score in NC & ranked 6th in the nation on quality

2011

January
- Value-based compensation formula implemented

February
- Care Outreach & Life Care Clinics launched
- Transitions of Care implemented
- Launch of CHESS

November
- Rite Aid Alliance
- Labcorp Partnership
- Strategic Partnership with WFBMC & CHESS

January
- CMS NextGen ACO participant

2012

January
- 13 CHC practices earn 2011 PCMH Recognition
- COPD Model Launched

March
- FastMed partnership

April
- Cornerstone Convenience Care opened at Premier building

October
- AMGA Acclaim Award Winner
Primary Care

Choose a primary care physician Wake Forest Baptist Health
536-716-WAKE (9253) or 888-716-WAKE (9253) toll-free WakeHealth.edu
A Woman to Care. A Woman to Cure.

UNC REGIONAL PHYSICIANS
UNC HEALTH CARE
EXPERT CARE CLOSE TO HOME

Now is a great time to find that special doctor to care for you and your family. UNC Regional Physicians has expanded their scope with more primary care doctors and medical specialists to bring you the highest quality medical care available in the region.

More than 2 dozen doctors leaving Cornerstone

Paul B. Johnson
High Point Enterprise

Jan 26, 2015

By the time you read this, two dozen physicians will leave Cornerstone Health Care this winter in what appears to be the largest exodus of doctors since the medical group was founded 20 years ago.

Paperwork? Manage your medical records online.

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Future integrated delivery networks will be focused around care models that operate at the intersection of the population segments and health conditions.

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<thead>
<tr>
<th>Conditions</th>
<th>Healthy independent</th>
<th>Health risk factors</th>
<th>Early stage chronic</th>
<th>Complex conditions</th>
<th>Late state or poly-chronic</th>
<th>End of life</th>
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<tbody>
<tr>
<td>Systemic conditions</td>
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<td>Complex episodic conditions</td>
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<td>Progressive, degenerative conditions</td>
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<td>Preference sensitive conditions</td>
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- **Systemic conditions**
- **Complex episodic conditions**
- **Progressive, degenerative conditions**
- **Conditions with episodic manifestation**
- **Preference sensitive conditions**
- **Independent conditions**

- **Healthy independent**
- **Health risk factors**
- **Early stage chronic**
- **Late state or poly-chronic**
- **End of life**

- **Integrated Oncology Management**
- **Integrated Progressive Condition Management** (e.g., cardiology model for CHF and CAD)
- **Early Identification and Effective Exacerbation Control** (e.g., irritable bowel syndrome)
- **Preference Sensitive Shared Decision Making and EBM Adherence** (e.g., low back pain)
- **EBM Adherence** (e.g., benign prostatic hypertrophy)
- **Catastrophic Stabilization** (e.g., following major trauma)
- **Orthopedic Factory** (e.g., for hips, knees, shoulders)
- **General Surgery Factory** (e.g., for gall bladder, bowel, stomach)
- **Efficient Convenience Care** (for routine and well care services)

- **Primary Care Medical Home**
- **Intensivist Medical Home and Hospice Care**
- **Value-Based Care Models**

- **Integrated Progressive Condition Management**
  - **Integrated Complex Condition Management** (e.g., cystic fibrosis)

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Reasons for Driving Consolidation

• Independent physician groups are typically undercapitalized and do not have access to adequate capital for infrastructure redesign.
• Vendors have tended to price for health systems with significant access to capital.
• Complexity involved in care coordination, clinical and information integration and performance and value-based payment system is beyond the competencies of most physician groups.
• Health systems need aligned physicians in order to successfully make the transition to value-based care models.
• Collaboration with independent entities often are prohibited by regulatory constraints designed for fee-for-service payment systems (Stark, anti-kickback).
• Financial uncertainty during payment system transition drives physicians to employment by entities able to provide stability.
Recommendations

• Evaluate impact of current Stark/anti-trust regulations on health care innovation.
• Evaluate traditional financial instruments’ adequacy for physician groups and health systems moving to value and risk based payments models.
• Link health system/physician consolidation directly to payment methodologies based on value.
• Focus system accountability on criteria of AMGA’s “high performing health system” as being measured currently by the Dartmouth/Brookings instrument.