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Maximizing Medicare Revenue Through Payment Models

November 18, 2021

Introducing Our Presenters



Allen Miller
Principal and
Chief Executive Officer



Yomi Ajao
Principal and
Chief Consulting Officer



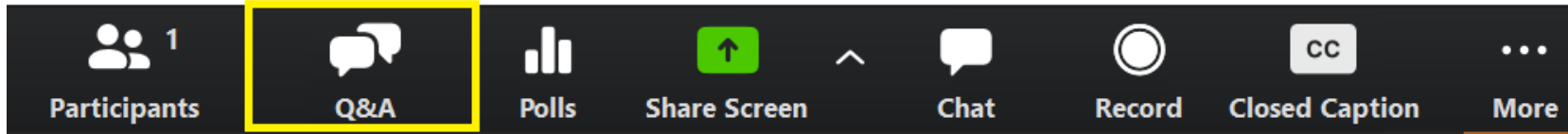
Richard Park
Co-Founder and
Managing Partner



Bill Wing
President
Adventist Health

Housekeeping

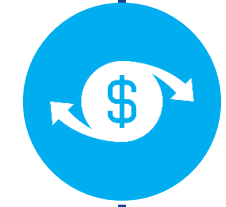
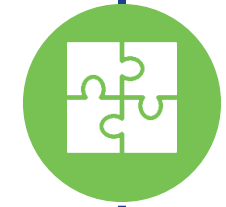
- Please enter questions through the Q&A feature in Zoom (screenshot below), and we will answer questions at the end
- You may also email questions directly to info@copehealthsolutions.com



- Attendees will receive a PDF copy of the presentation, a link to the recording and a written Q&A
- After the presentation, COPE Health Solutions will send out a brief survey—we'd greatly appreciate you sharing any comments or feedback!

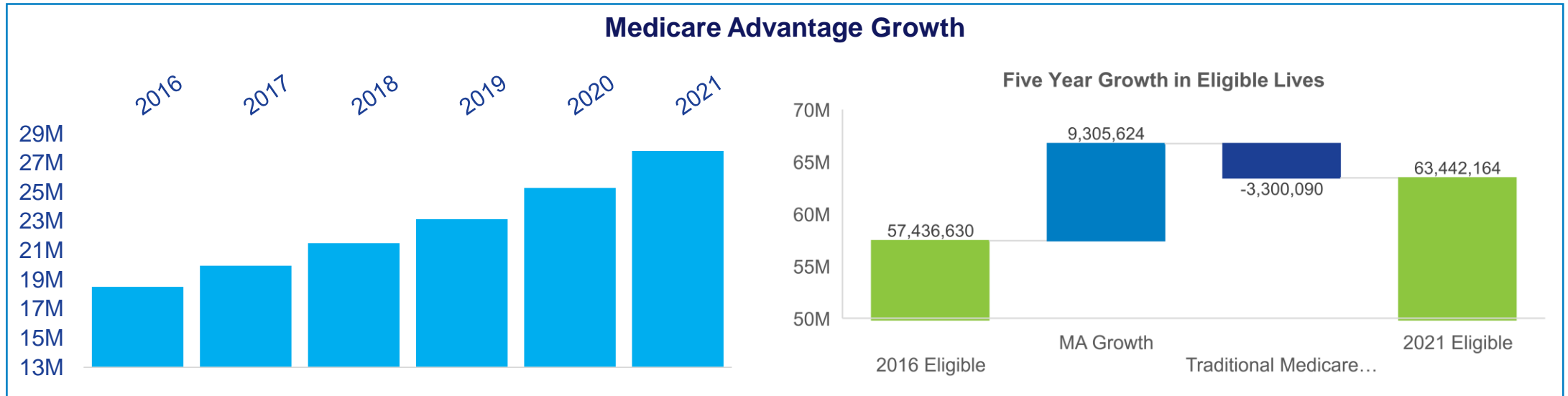
Agenda

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- 32** Question & Answer



Medicare Landscape and Strategic Considerations

Medicare Advantage Trends



Venture Backed Disruptors

	Cano Health \$5.7B valuation* De-SPAC 6/4/21
	OAK STREET HEALTH \$10B Valuation* IPO 8/6/20
	signifyhealth. \$3B Valuation* IPO 2/10/21

one medical

6/4/21
Announces
Agreement to
Purchase Iora Health
in a deal worth \$2.1B

Payers Becoming Providers

UNITEDHEALTH GROUP®

“The health-care conglomerate that owns the biggest U.S. medical insurer, United Healthcare, has assembled one of the country’s largest collections of doctors -- more than 53,000, or about 5% of U.S. physicians.”**

*Valuations from CNBC as of 10/14/21 market close

**<https://www.bloomberg.com/news/articles/2021-03-05/unitedhealth-s-deal-machine-scoops-up-covid-hit-doctor-groups>

Special Needs Plans (DSNP, CSNP, ISNP) grow and MA ESRD rule change

Maximize revenue for patients with special needs & be prepared for ESRD management



Chronic & Dual Special Needs Plans

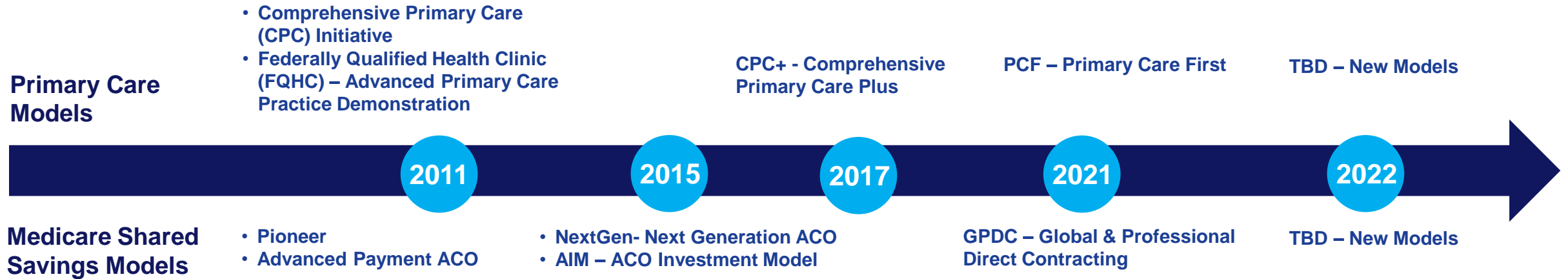
- 4.2M currently enrolled (Faster growth than general MA enrollment)
 - States requiring Medicaid managed care plans to launch DSNP as part of re-procurements
- Enhanced revenue opportunity in risk arrangements - particularly percent of premium
- Additional benefits available to beneficiaries
 - Utilize Plan benefits for members
 - Utilize Community Based Organizations (CBOs) to manage SDOH needs of members
- Quarterly enrollment/Plan change
 - Continuous membership growth opportunity



Medicare Advantage (MA) Plans and Contracted Providers Need ESRD Strategies

- For the first time, traditional Medicare beneficiaries can now enroll in MA plans during the Open Enrollment Period
- High Revenue = High Risk = High Reward?
- Ensure strong network partnerships & team based care
 - Kidney Transplant, Home Dialysis & efficient nephrologists
 - Care management
- Be prepared for Crucial Conversations
 - Have Advanced Directives in place and on file
 - Transition to Hospice care when appropriate

CMMI Value Based Payment Trajectory and Vision for the Future



Vision for the Future



Approaching Medicare as a Health System

Adventist Health Overview



In 2020, Adventist Health touched millions of lives through hospital admissions and emergency, clinic, outpatient and home care visits.

123,300

Admissions

2,158,655

Clinic Visits

638,221

Emergency Department Visits

204,587

Home Health Visits

1,370,167

Outpatient Visits

38,075

Hospice Visits

\$4.8B

Total Revenue in FY 2020

370

Clinics (approximate)

4

States House the Communities We Serve

15

Home Care Agencies

75

Number of Communities

8

Hospice Agencies

37K

Workforce Including Physicians, Allied Health Professionals and Support Services

1

Fully Owned Retirement Community

23

Hospitals, With 3,393 Beds

3

Joint-Venture Retirement Centers



Health Division Overview

Purpose

To design, leverage and demonstrate evidence-based solutions that measurably and sustainably improve individual health, accelerate Care Division growth, and build a business model for Well-Being Division.

Vision

To actualize health across 1.5 million value-based members by leveraging solutions focused on prevention, wellness, lifestyle management, chronic care management, complex care management, care navigation and behavioral health management.

Big Swings

Lives Impacted

- 1.5 Million

Revenue

- \$4 Billion

Network Development

- 32 Counties

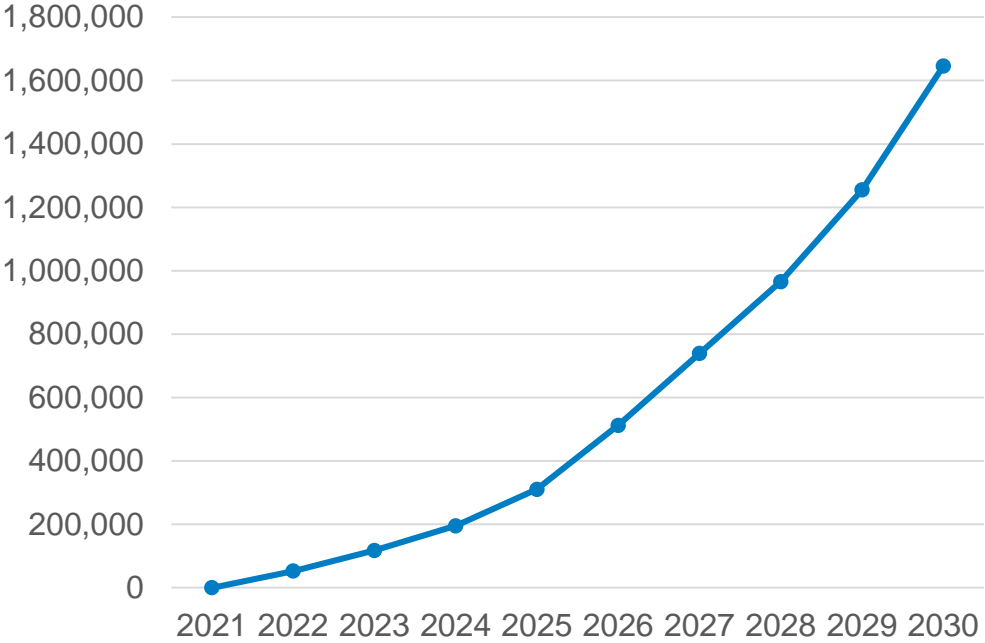
Health Status

- Top Quartile

Reduce Administrative Spend

- 25-50%

Membership Growth



*Incremental growth from base

LOB	Eligibles (In our Target Markets)	Managed Care Enrollees	Target Managed Care Enrollees	Population Share of Eligibles
Medi-Cal	8.5M	7.1M	1.1M	13%
Medicare	4.1M	1.7M	0.25M	6%
Commercial	10.8M	~5.4M	0.3M	3%
Total	23.4M	14.2M	1.65M	7%

Value-based Networks

Providers	Physicians	Hospitals
Risk Network (AHPS + IPA)*	2,900+	23
D2E	40,000+	300+
MSSP ACO	400+	4
Commercial CIN	1,300+	21

Incremental Risk Network Capacity Required

Providers	Physicians	Hospitals
Risk Network* (AHPS + IPA)	6,500+	75+

*Current Risk Network includes AHPN and IPA providers
PCPs exclude advance practice providers



Payer Integration and Partnership

Create a shared vision and P&L with select payers and align efforts to deliver an exceptional member and provider experience while achieving optimal clinical and operational efficiency. As **One Team** we will grow the population served by providing top-decile quality and offering affordable healthcare products and wellness services through a financially sustainable partnership.

To achieve our 1.5M VBP members

- Convert 70% of our current FFS lives with payer partners to VBP members
- Capture 30% of target members from new store growth

Critical success factors

- Level of integration around operations, clinical care and finance
- Member and provider experience
- Ability to address community SDOH

Our Shared Outcomes via Payer Partnerships

Double the lives served

World class customer experience and engagement

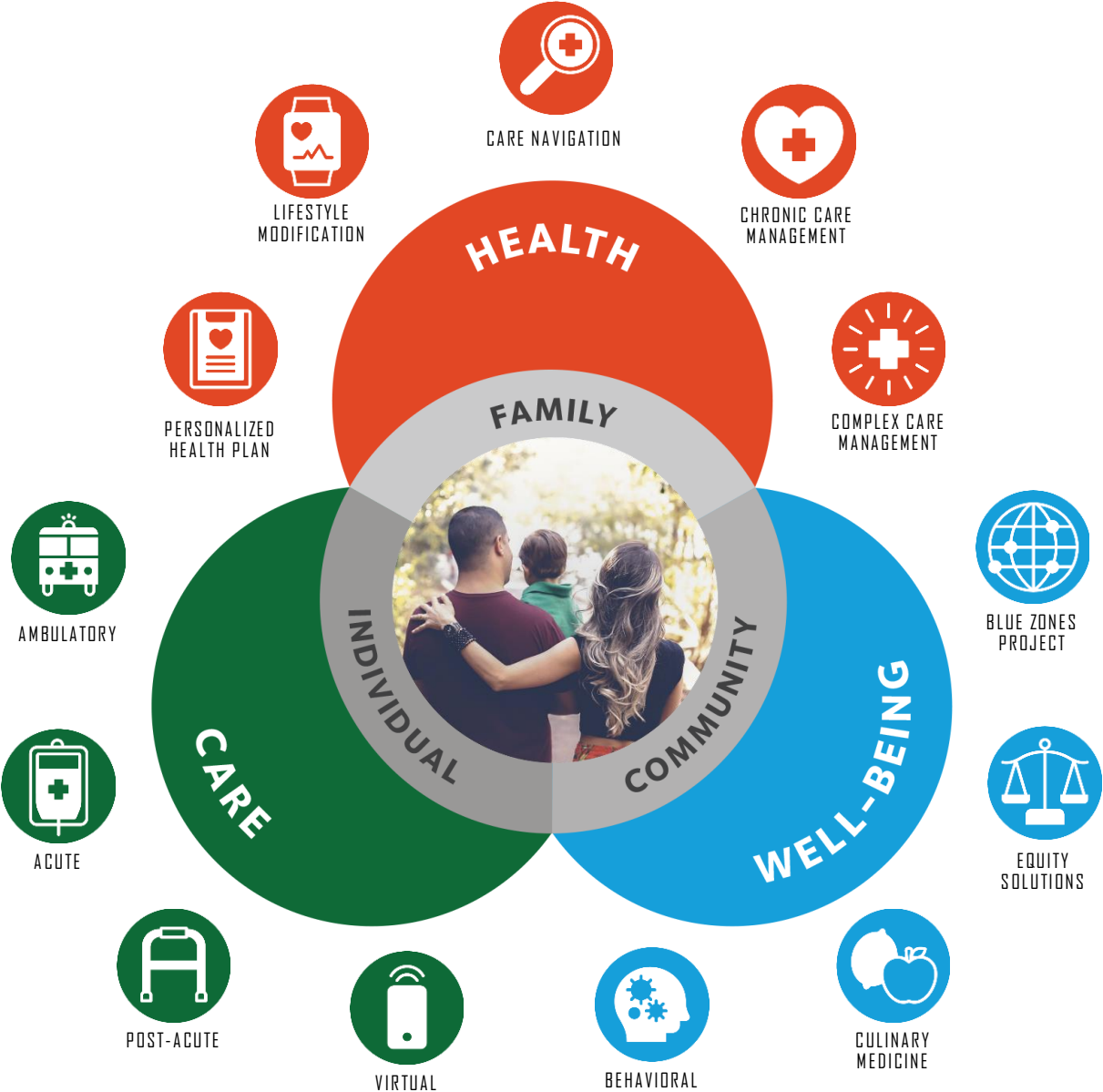
A fully integrated operating model that is the gold standard for health care

Top decile clinical outcomes and quality

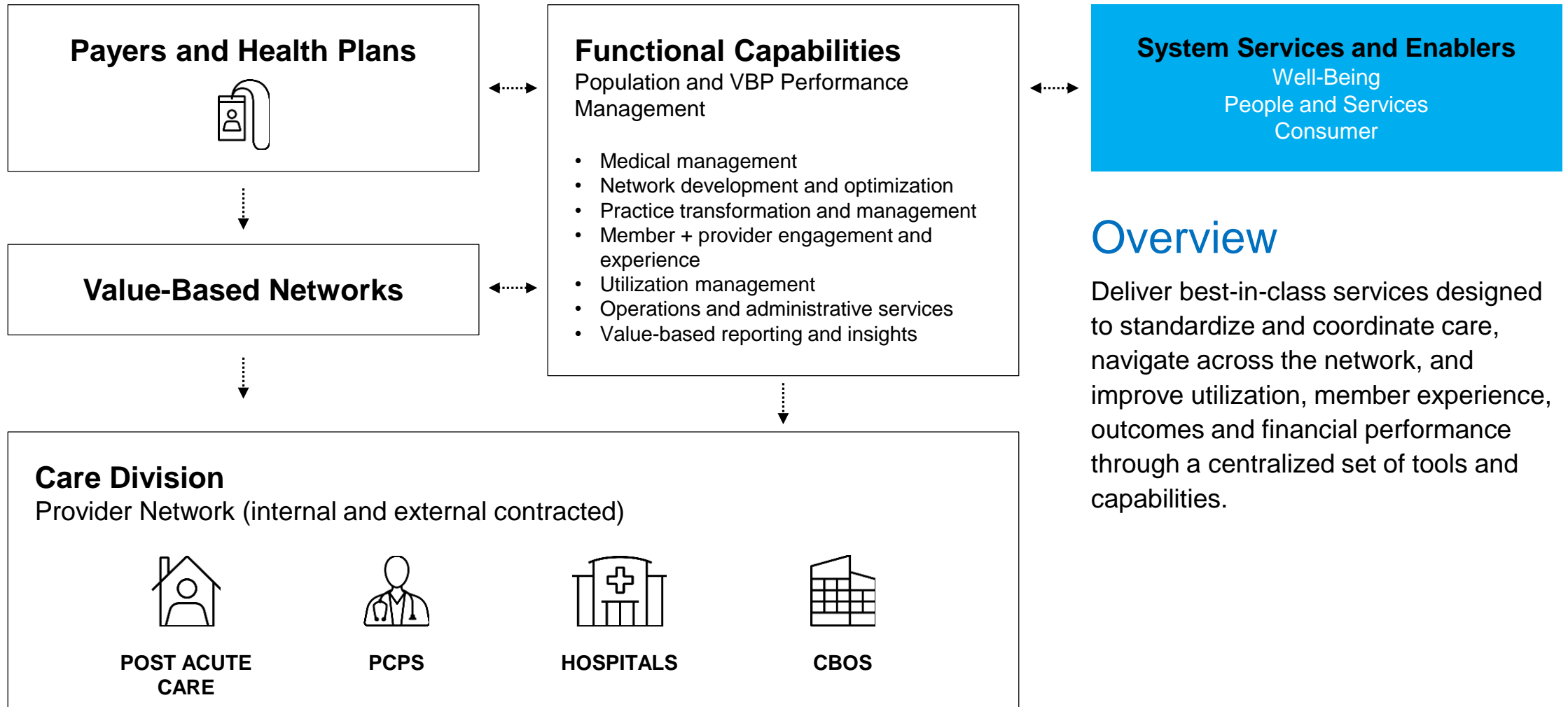
Accelerated innovation and value creation

Improved community health status and well being

Health Solutions and Integrated Approach



Functional Capabilities



Overview

Deliver best-in-class services designed to standardize and coordinate care, navigate across the network, and improve utilization, member experience, outcomes and financial performance through a centralized set of tools and capabilities.

Approaching Medicare as a Provider Group

Ascend Team



Differentiated Combination of Healthcare PE Investment, Entrepreneurial and Operational Experience



In Seon Hwang

- ▶ Former global head of Healthcare at Warburg Pincus and member of the Executive Management Group
- ▶ 17+ years investing and \$4+ billion of equity capital deployed
- ▶ 30+ transactions and served on 20+ boards



Richard Park

- ▶ Founder & former CEO of CityMD, growing from a single practice in 2010 to over 120 sites and 2.7 million patient visits in 2019
- ▶ Created a company with \$500 million of revenue from \$1 million of initial primary capital
- ▶ Successfully led multiple acquisitions, financings and monetizations

Duwin Robinson

Chief Financial Officer & Chief Compliance Officer

Former Chief Financial Officer at BRS

Joshua Zenilman

Vice President

Prior experience at Cain Brothers

James Cassidy

Senior Associate

Prior experience at Jefferies and Lazard

Michael Carson

Operating Partner

Former President & CEO at Harvard Pilgrim Health Care

David Shih

Chief Medical Officer

Former Chief Medical Officer at CityMD

Adam Taitz

Associate

Prior experience at Cain Brothers

Bonnie Lance

Fund Administration

Prior experience at Warburg Pincus

Lindsay West

Investor Relations Associate

Prior experience in marketing and recruiting

Steven Kang

Chief Technology Officer

Former Chief Technology Officer at CityMD

Will Nestor

Operating Partner

Prior experience at Prospect Medical and Mount Sinai Health System

Ascend Partners 2021 Annual Meeting

Case Study: United Medicare



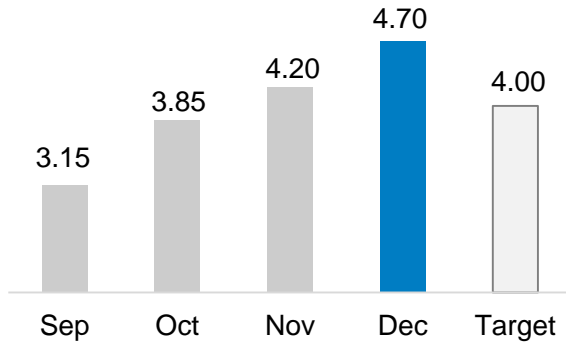
Aug'20 through Dec'20

- Rendr's first month of operation as a single practice under a single TIN was August 2020.
- Q4 2020 efforts focused on demonstrating success and providing proof of concept with the product line of one payor partner

Quality Scores

Rendr Performance:

Increased Company-wide quality scores from 3.15 to 4.7 in 4 months

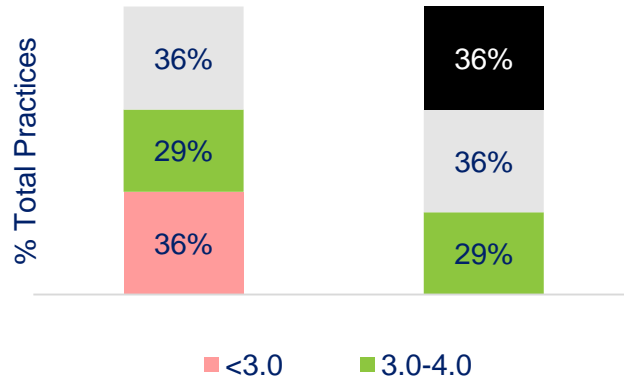


By Legacy Practice:

Prior to Rendr, were 17 independent practices

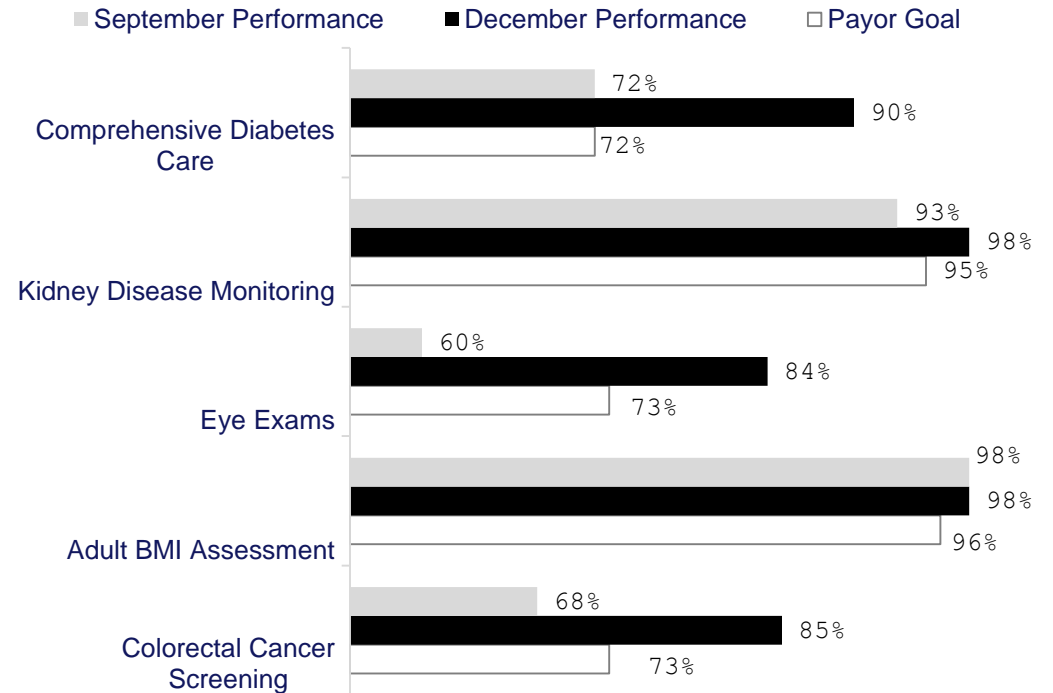
Best performing legacy practice was at 4.5 stars and 36% of practices were under 3 stars

Within 4 months, 36% of practices were above 4.5 stars; 0 were less than 3 stars



Key Measures

Clear, measurable KPIs allow organization to execute and raise quality scores



Quality Dashboard & Provider Scorecards

- Note the month-over-month improvement in nearly all quality measures.
- Data pulled from United portal on 10/19/2021, claims and supplemental data through 09/01/2021.
- Year-over-year improvement noted: 3.15 □ 4.05 for same time period with increasing membership and higher thresholds.
- Future State: Incorporate real-time EMR data to address member's needs.

TOTAL	< Legacy Practice
UHC Medicare	< Payor+LOB

Quality Measures		Prior Rate	Δ	Current Rate	5 Star	Numerator	Denominator	To Reach Target	Score
		Sep-21		Oct-21					4.19 / 5.00
Preventative Screening									
BCS	Breast Cancer Screening	56%	4%	60%	76%	900	1,501	241	2
COL	Colorectal Cancer Screening	75%	3%	78%	80%	2,377	3,029	47	4
Diabetes									
CDC DRE	Diabetes Dilated / Retinal Eye Exam	73%	4%	77%	79%	814	1,059	23	4
CDC HbA1	Diabetes HbA1c Controlled	80%	5%	85%	81%	901	1,059	Meets	5
CDC Neph	Medical Attention for Nephropathy	96%	1%	96%	97%	1,020	1,059	8	4
Medication Adherence									
MAH	Medication Adherence Hypertension	95%	-1%	94%	93%	2,772	2,940	Meets	5
MAC	Medication Adherence Cholesterol	93%	-1%	92%	93%	3,280	3,556	28	4
MAD	Medication Adherence Diabetes	96%	-1%	96%	93%	1,344	1,404	Meets	5
Cardiovascular									
SPD/SUPD	Statin Therapy for Patients with Diabe	89%	1%	90%	88%	758	839	Meets	5
SPC	Statin Therapy for Patients with Cardi	82%	1%	83%	89%	360	433	26	3
Other									
CAHPA	Patient Survery: Getting Care as Need			78%					3

New Community & Quality Initiatives

» Upfront Investments

- **RetinaVue**
 - Retinal Diabetes Eye Exams on-site
- **Patient Outreach/Care Management Services**
 - Rendr360, Rendr360 Clinical
- **Medical Scribe Training on Quality to assist Providers**
- **Rendr @ Home – new house calls program**

» EMR Engagement & Risk Score Oversight

- **EMR Quality Management Functions**
 - ECW Pop Health Tab and MDland QM Tab
- **EMR Global Templates for Quality Measures**
 - Standard EMR Templates with Dx Codes/Documentation for provider use
- **EMR (ECW/MDland) Population Health Reports**
 - Practice Level Reports

» Primary & Specialty Care Co-Management








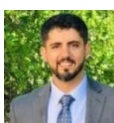



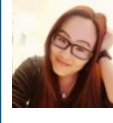
- **Rendr Women's Health Team/Clinic**
 - Cervical Cancer Screening, Breast Cancer Screening, Annual GYN
- **Breast Cancer Screening**
 - Same Day/Next Day Appointment Availability and Scheduling for Mammography/Breast Ultrasound

» Practice Engagement

- **Practice Level Reports Sent to Providers monthly**
- **Rewards and Incentives for Provider and Staff**
- **Standardized Quality Workflow Training (Providers/Staff)**

CareAbout: Centralized MSO Developed and Operating

Department Leaders:

 <p>Michael Carson, <i>Chief Executive Officer</i></p> <ul style="list-style-type: none"> Former President & CEO of Health Plan Holdings, Inc., formed in 2021 through the merger of Harvard Pilgrim Care and Tufts Health Plan Was responsible for \$9.4bn diversified business covering Medicare, Medicaid and commercial 	 <p>Dr. Dave Shih, <i>Chief Medical Officer</i></p> <ul style="list-style-type: none"> Co-founder and former Chief Medical Officer at CityMD Hired first 100 physicians at CityMD and led the design and implementation of the company's quality and clinical training programs 	 <p>Will Nestor, <i>Integration & Development</i></p> <ul style="list-style-type: none"> Previously Chief Performance Office & Corporate Counsel at Prospect Medical Holdings Also served as Senior Director of Operations at Mount Sinai Health System 	 <p>Dr. Munish Khaneja, <i>Chief Strategy Officer</i></p> <ul style="list-style-type: none"> Previously Chief Medical Officer at Altruista Health (sold to Blackstone) Also served as VP of Clinical Effectiveness and Pharmacy at Emblem Health and Chief Medical Officer at Affinity Health Plan 	 <p>Shu Li, <i>Operations</i></p> <ul style="list-style-type: none"> Previously a General Manager at Tahoe Investments and Board Liaison Officer at Alliance Healthcare Services Prior experience includes McKinsey & Company, New York Presbyterian Hospital 	 <p>Dr. Ben Stein <i>CIO</i></p> <ul style="list-style-type: none"> Former Medical Director at Solis Health and Chief Medical Officer at Eden Health Founder and Former CEO of Healthix, the nations largest health information system 	 <p>Scott Farnsworth <i>CMIO</i></p> <ul style="list-style-type: none"> Former VP of Clinical Systems and Solution Architecture at Kindred Healthcare 	
 <p>Daniel Rothman, <i>Finance and Strategy</i></p> <ul style="list-style-type: none"> Previously SVP of Corporate Strategy at CityMD Other experience includes COO of Mymee, a data driven health coaching platform for persons with autoimmune diseases 	 <p>Daniel Serrano, <i>Finance, Value-Based Contracting</i></p> <ul style="list-style-type: none"> Experience at Aetna (CFO of Mid-Atlantic Region), Chen Med (Market CFO), HealthFirst (VP, Commercial Products) and Mount Sinai (VP, Value Based Contracting) 	 <p>Mohamed Humaidi, <i>Data Analytics</i></p> <ul style="list-style-type: none"> Former VP of Healthcare Data & Analytics at Franciscan Alliance Additional prior experience at Northwell, Affinity and EmblemHealth 	 <p>Steve Kang, <i>Technology</i></p> <ul style="list-style-type: none"> Co-founder and former Chief Technology Officer at CityMD Led design and implementation of key software integration and data analytics functionality 	 <p>Claudia Hinrichsen, <i>Compliance</i></p> <ul style="list-style-type: none"> Former General Counsel at CityMD Previously attorney with Rivkin Radler Previously attorney at Nixon Peabody 	 <p>Kristi Reismann, <i>Revenue Cycle</i></p> <ul style="list-style-type: none"> Previously Head of Revenue Cycle at CityMD Employee #1 CityMD 	 <p>Lili Lau, <i>Clinical Quality</i></p> <ul style="list-style-type: none"> Assists with Quality Improvement Programs and EMR implementations Previously spent >8 years as assistant manager, in charge of quality and compliance at Metro True Care Medical 	 <p>Maiu Reismann, <i>Coding and Quality</i></p> <ul style="list-style-type: none"> Co-Founder Code Factory Rendr Care Physicians Vendor but coding and quality partner Former CityMD Coding Vendor

Ascend Portfolio & Near-Term Pipeline

						<i>Florida Multispecialty Platform</i>	 <i>Add-On</i>	<i>Long Island Platform</i>	 CareAbout
# of Providers	350+	80+	70+	~800 <i>in network</i>	125	80	70+	130+	~900 <i>[~800 network]</i>
Total Patients	90,000	90,000	65,000	100,000	25,000	90,000	70,000	180,000	700,000+
Medicare Patients	6,000	14,000	8,000	22,000	25,000	25,000	15,000	–	115,000
2021E Revenue (\$mm)									\$800+
2021E Gross Profit (\$mm)									\$120+
2021E EBITDA (\$mm)									\$50+

Medicare and Physician Alignment

Successfully Managing a Medicare Population

Playbook to Achieving ROI on Medicare Programs



Quality Management

- Improve quality outcomes and performance

Areas of Focus

- STAR ratings
- HEDIS gap closure
- Member engagement
- Provider and staff engagement
- Ease of use of quality identification and action tools

Sample Initiatives

- Consistent processes
- Provider and staff training and incentives
- Call center with Warm Line
- Member and provider portals, member app
- In home testing & remote monitoring deployment



Revenue Optimization and Growth

- Increase total revenue
- Increase access to premium dollars for providers and payers

Areas of Focus

- Appropriate product category
- Appropriate risk coding
- Contracting strategy
- Financial reconciliation for claims and eligibility
- Membership growth

Sample Initiatives

- Over 65 Medicaid enrollment to Medicare
- Dual eligible ID and Enrollment
- Proper documentation
- Empanelment
- Member retention, panel growth incentives



Utilization Management

- Increase profitability of risk pools
- Improve total cost of care performance
- Reduce leakage

Areas of Focus

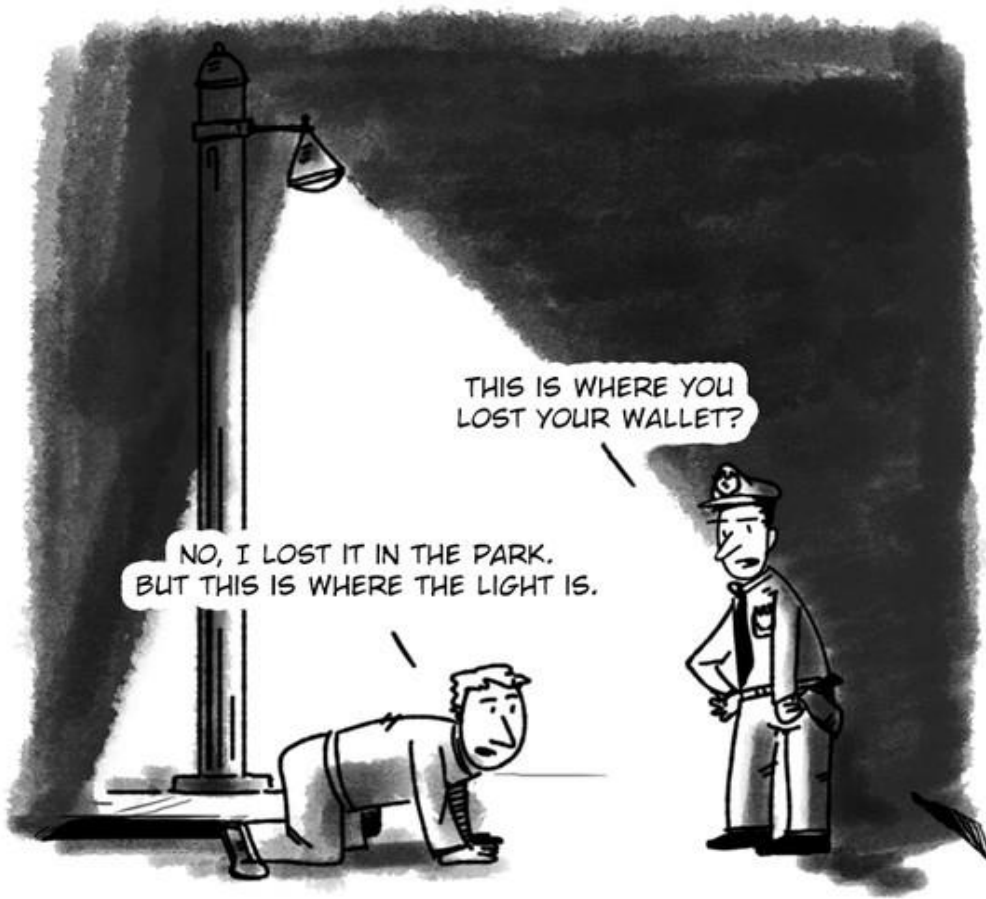
- Appropriate site, level of care, proactive UR, aligned incentives
- Ease of access and leakage reduction
- Address SDH, CBO integration
- Rx dispensing channel
- High volume/high risk member management

Sample Initiatives

- Open access
- Specialty economic profiling and large panel PCP affiliation
- ED concurrent UR
- Leverage specialty pharmacy
- Further integration of technology through care protocols

Develop a Process to Stratify Risk

Develop process to shift from treating sick patients to caring for all members



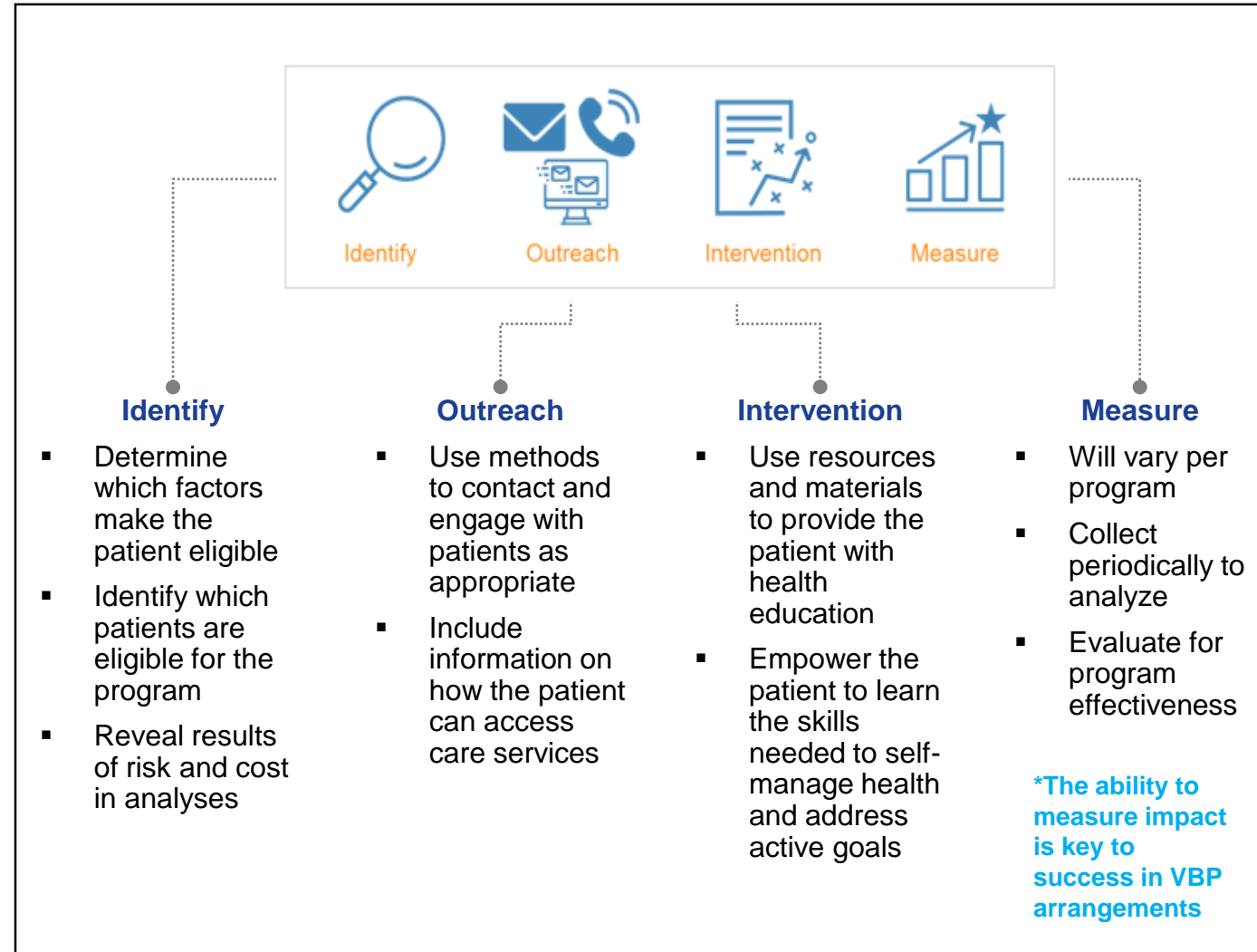
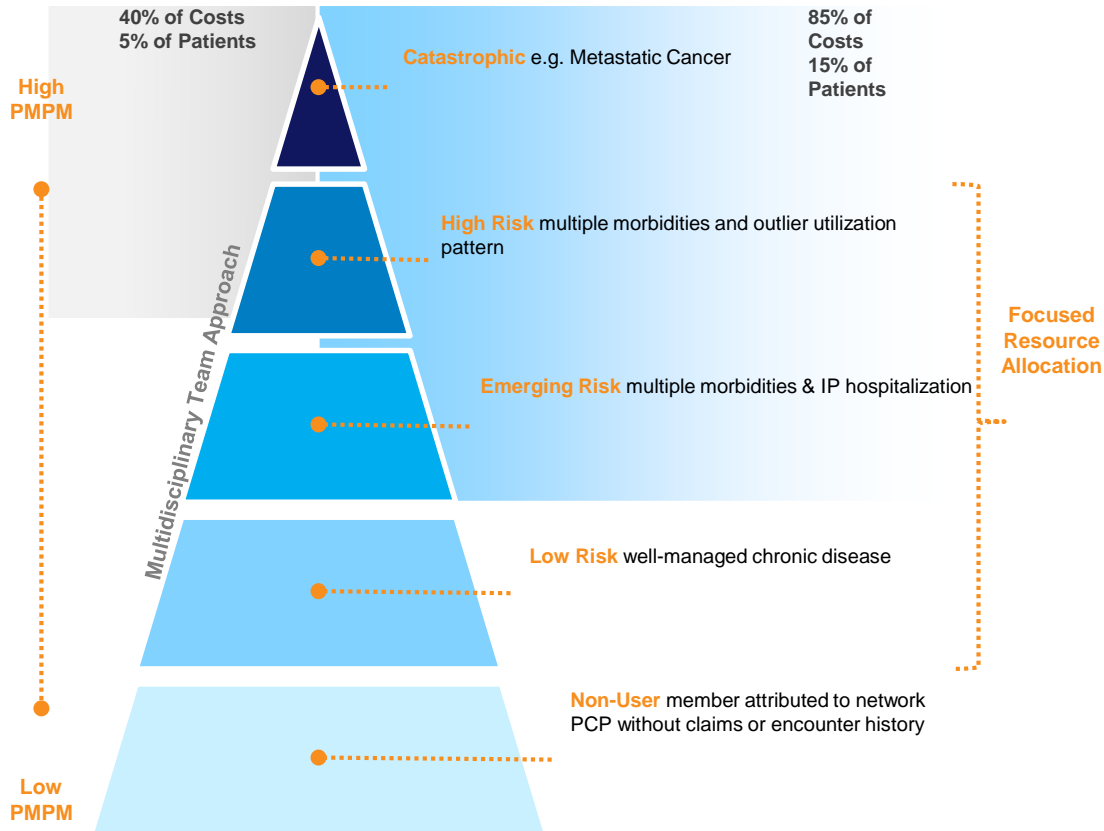
<https://first-the-trousers.com/hello-world/>

Develop and implement processes to effectively and efficiently identify patient risk & quality opportunities prior to acute medical intervention necessity:

- Integrate quality and risk adjustment activities and develop measurable metrics for tracking, reporting and early intervention/treatment
 - Female over 55 needs routine mammograms
 - Patient with history of smoking needs routine spirometry testing for COPD
- Identify correlations between conditions
 - i.e. Diabetes, CKD and Depression
- Focus on both utilization and unit cost management simultaneously
- Integrate SDoH data and analytics into risk stratification to optimize whole person care
- MEAT – **Monitor, Evaluate, Address, Treat** conditions to prevent or delay costly medical interventions
- Use historic data to identify closed quality gaps and identify chronic conditions that need continued treatment

Manage Utilization

Use risk stratification to target population needs



Program Specific Considerations

Understand program specifics and mechanics

Program	Membership Attribution	Quality Incentives	Benchmarking / Gain Share	Risk Adjustment	Network	Advanced APM
MSSP	Claims based or voluntary alignment– Choice of prospective or retrospective	Impact to Shared Savings	Multiple risk options based on Track Upside only to 75% share	Increases capped at 3%	All Medicare Participating Providers	Only Track E & Enhanced
Medicare Direct Contracting	Claims based or voluntary alignment– Choice of prospective or prospective plus	5% Quality Withhold	50%-100% (Dependent on Global or Professional) with built in risk corridors	Increases capped at 3%	All Medicare Participating Providers – Can negotiate Preferred Provider Arrangements	Yes
Medicare Advantage	Varies by plan and product	Negotiated with payer – 5% Stars Bonus to plans achieving 4 stars or greater	Negotiated with payer	Uncapped – normalized annually	Varies by Plan – PCP Gatekeeper preferred	Varies by Plan and Contract Terms
SNP	Varies by plan – enrollment/dis-enrollment occurs quarterly	Negotiated with payer – 5% Stars Bonus to plans achieving 4 stars or greater – Additional quality measures included in Stars score	Negotiated with payer	Uncapped – normalized annually	Varies by Plan – PCP Gatekeeper preferred	Varies by Plan and Contract Terms

Physician Alignment

Aligning Incentives Through Funds Flow

- If IPA/Medical Group is capitated, there is **maximum flexibility in payment** to non-employed physicians and other providers
- Under capitation at the IPA/Medical Group level, **PCPs should be reviewed based on cost, quality and outcome of their assigned member**
- Higher performing specialists can be aligned with PCPs and incentivized to help **reduce unnecessary utilization, total cost of care and reduce out-of-network leakage**
- Independent community PCPs can be capitated with bonuses related to **quality and out-of-network leakage**
- Independent community high-volume specialists can be capitated or otherwise financially aligned and made more easily **available for referral** and **co-management with PCPs**
- PCPs and specialists may be salaried employees of the organization and should have **“aligned incentives”** related to performance on total cost of care, quality scores and out-of-network utilization for panel. While minimum productivity standards make sense, RBRVs should not be the chief driver of employed physician compensation as it reflects volume, not necessarily value
- Opportunities for **bonuses for other community provider types** (e.g., specialists, sub-acute, etc.) should be considered to improve level of alignment and overall outcomes

Key Takeaways

Key Considerations

Assess how best to serve your consumers and providers given your current capabilities and understand the costs associated with developing new capabilities to expand offerings



Understand Consumers' Needs

What is the mix of the population?

What is the performance trend?

Best Products?

- Traditional Medicare
- MA
- D-SNP
- PACE

Network and Access Requirements?

SDOH Challenges?



Network and Financial Incentive Alignment

Primary care paid competitively and incentivized for performance

High performance specialty network and referral system
Consider hospital access to institutional pool savings

Network analytics for adequacy and optimization



Consider Medicare FFS Alignment Options

Best CMS or CMMI programs for your organization?

- MDC
- MSSP
- Episodic Programs like BPCI-A
- MA



Consider Payer Alignment Options for MA and special needs

- Joint Venture
- Co-branded product
- Value based payment agreement
- Delegation of MSO Services



Understand Your Capabilities & Gaps

Can you effectively capture the risk of your population?

Do you have the right processes in place for quality?

Do you have an optimal and adequate network of providers?

Care management and network management configuration and capabilities

Question & Answer (Q&A)

For more information on how COPE Health Solutions can provide PMO services, please contact our team at info@copehealthsolutions.com or 213-259-0245.

www.copehealthsolutions.com

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