

Future Outlook for Independent Primary Care and Multispecialty Group Practice

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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:



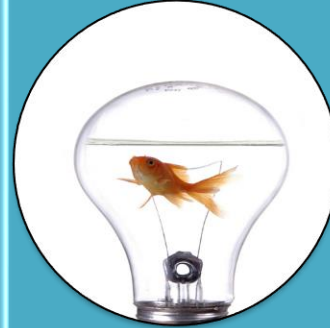
Status Quo



Sell



Collaborate



Innovate



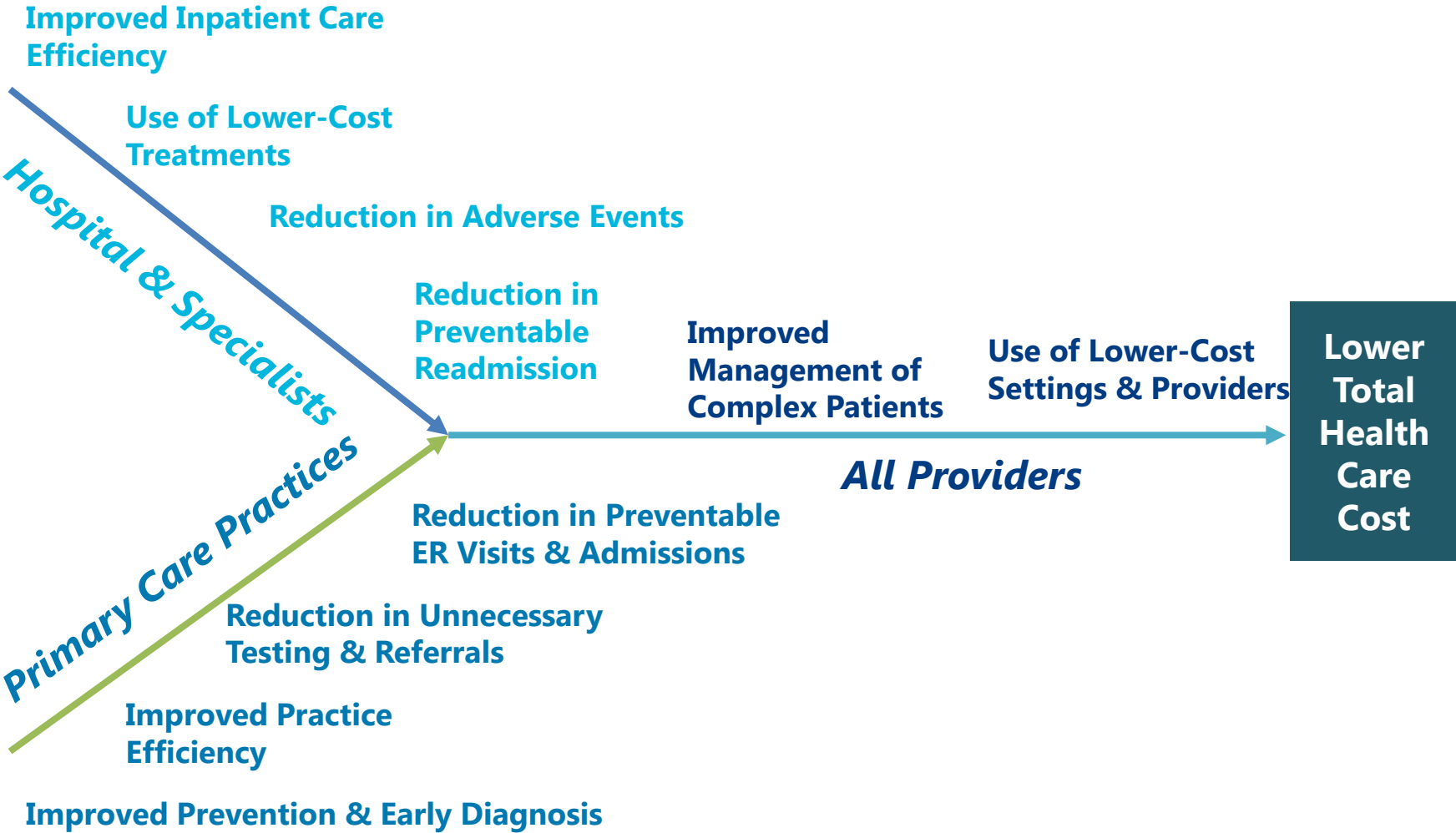
Transform



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



- January**
- Westchester Building built
 - Extended and weekend hours now offered

- January**
- CHC & Oliver Wyman Redesign
 - Care Pathway Redesign
 - Optum & Teradata Tech partners
 - VBR: Negotiating Contracts

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

- March**
- Personalized Cardiac Care Program launched

- March**
- FastMed partnership

- April**
- Personalized Cancer Care w/ embedded Primary Care launched

- April**
- Cornerstone Convenience Care opened at Westchester building

- June**
- CHC opens its first practice in Hickory

- July**
- Shareholders approve Cornerstone Compact

- July**
- MSSP ACO Personalized Primary Care Program launched

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

- January**
- Premier Building built
 - NCQA Medical Home designations

1995



- January**
- Cornerstone Health Care formed
 - CHC on EMR

- December**
- CHC goes live on Humedica
 - Mindshare
 - Revised MVV

- March**
- PCA Program launched
 - Adoption of new Cornerstone Credo
- July**
- Service Lines implemented
- October**
- Shareholders vote to move to PFV

- January**
- Value-based compensation formula implemented
- February**
- Care Outreach & Life Care Clinics launched
 - Transitions of Care implemented
 - Launch of CHES
- November**
- Rite Aid Alliance
 - Labcorp Partnership
 - Strategic Partnership with WFBMC & CHES

- January**
- CHC goes full-risk
 - CHES MSSP ACO
 - CHES Select
 - Lightbeam launch
 - Nephrology Medical Home Launched
 - Touchcare telemedicine begins
 - Livongo launched
- April**
- Cornerstone Convenience Care opened at Premier building
- October**
- AMGA Acclaim Award Winner
- January**
- CMS NextGen ACO participant



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Suite 101
High Point, NC 27266
(336) 884-4000 | Prostate
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More than 2 dozen doctors leaving Cornerstone

Paul B. Johnson
High Point Enterprise | Jan 26, 2015 | 0



Point Enterprise
come and go from the Cornerstone Health Care facility on Westchester Monday afternoon. LAURA GREENE | HPE

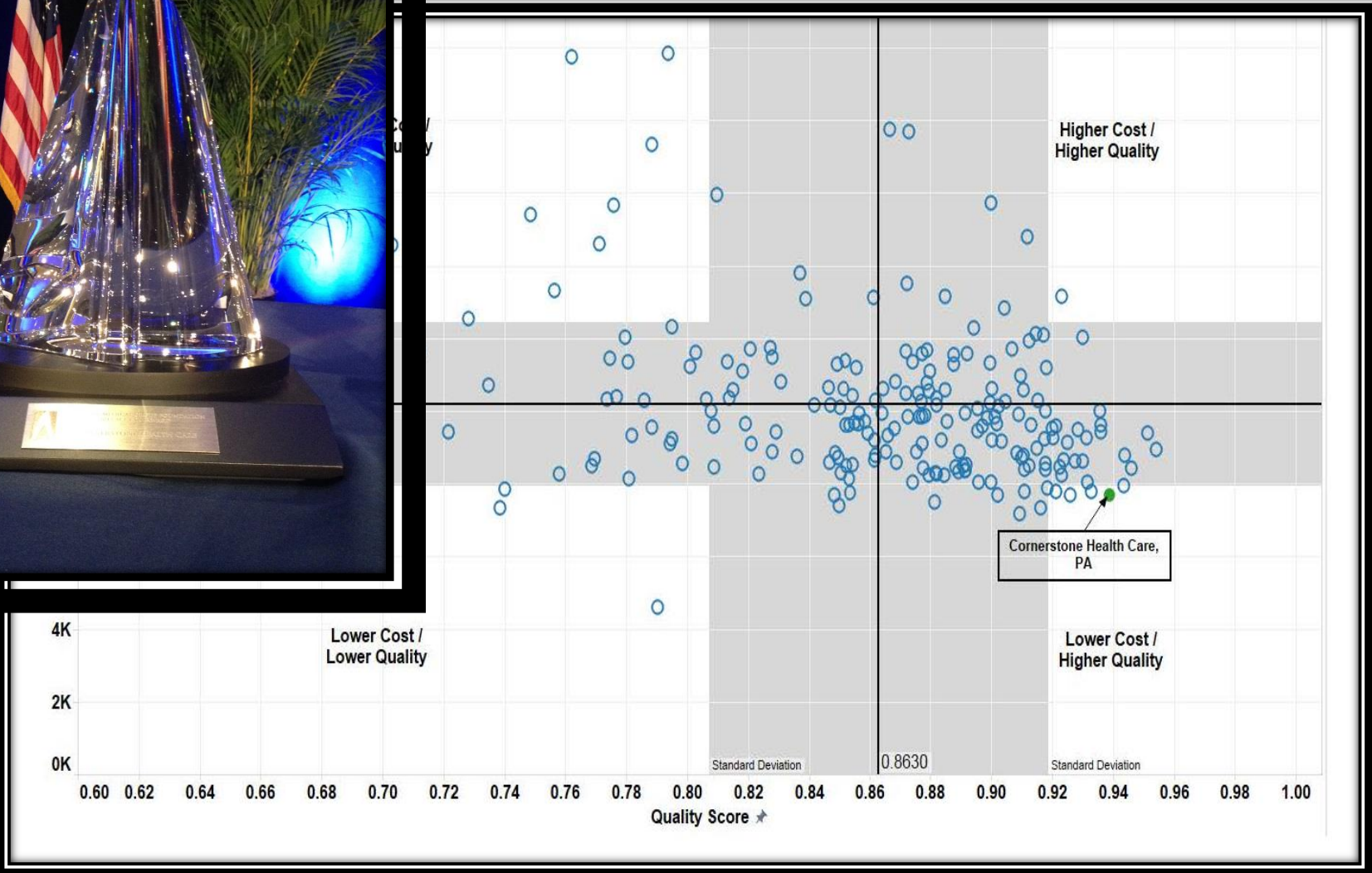


More than two dozen physicians will leave Cornerstone Health Care this winter in what appears to be the largest exodus of doctors since the medical group was founded 20 years ago.

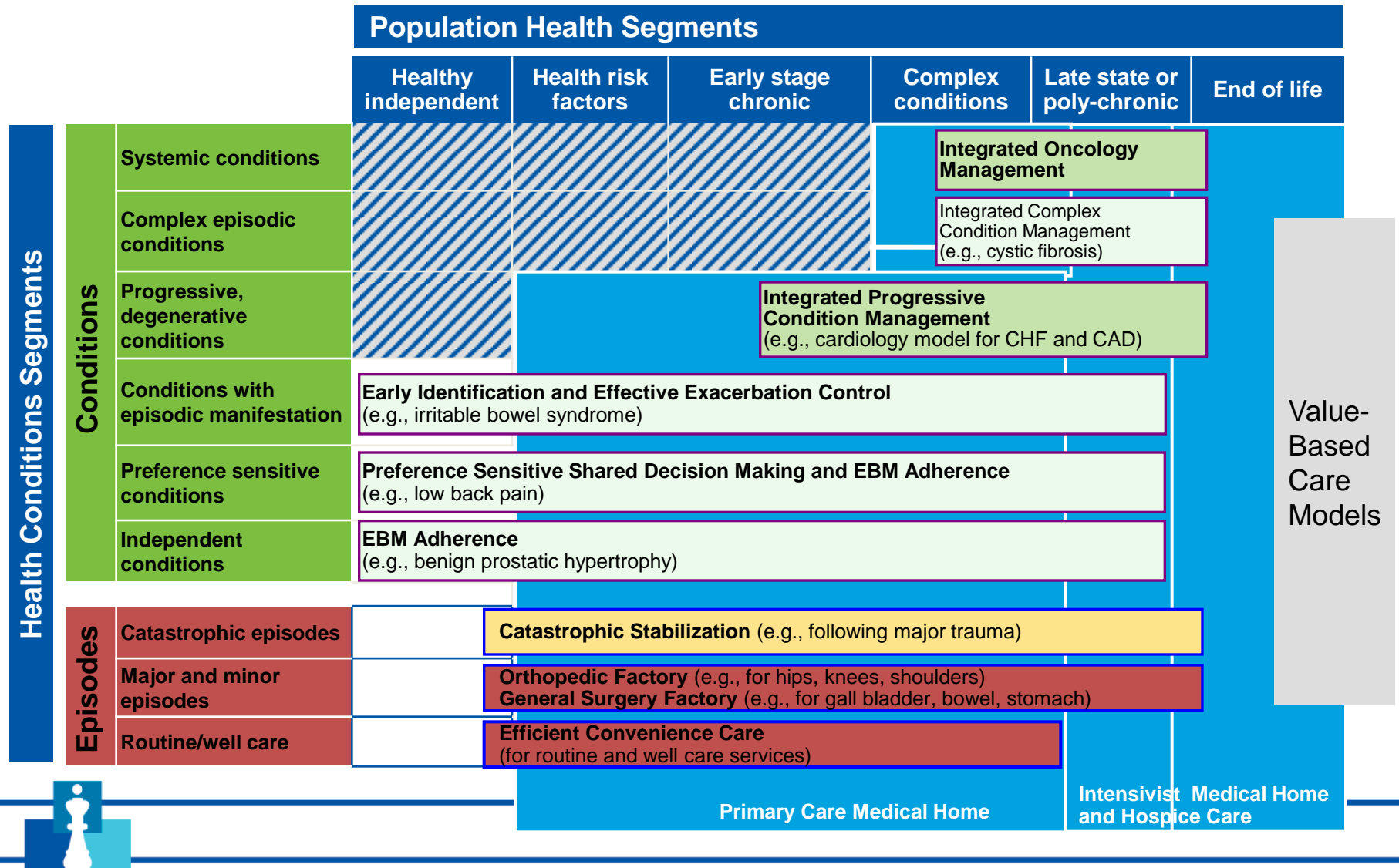
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NOVANT HEALTH





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



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.

