

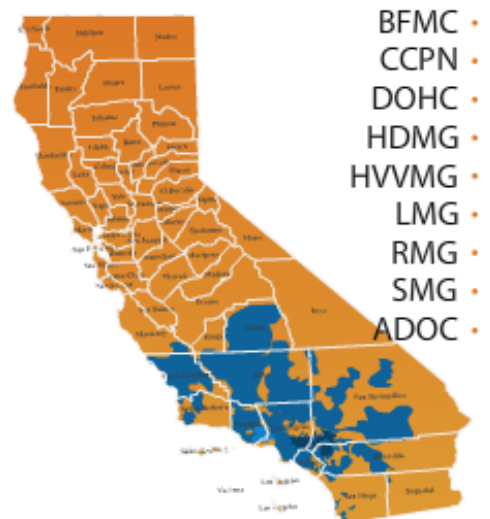


Heritage California ACO

Solving Your Healthcare Puzzle

Heritage California ACO is operated by the Heritage Provider Network (HPN) family of organizations which was founded in 1979 by Dr. Richard Merkin, President and CEO. HPN and its affiliated medical groups nourish the physician-patient relationship, providing the foundation for quality health care.

Affiliated Medical Groups California



- BFMC •
- CCPN •
- DOHC •
- HDMG •
- HVVMG •
- LMG •
- RMG •
- SMG •
- ADOC •

Interesting Fact:
Improve Healthcare, Win \$3,000,000 X-Prize from Heritage.
“Better Living Through Algorithms: Health Care Contest Looks to Data Miners for Solutions” – Wall Street Journal

Number of Beneficiaries:
PY2012 = 68,000
Projected PY2103= 100,000+

Primary Drivers:

Provider Buy-In

Beneficiary Buy-In

Aim (Goal):

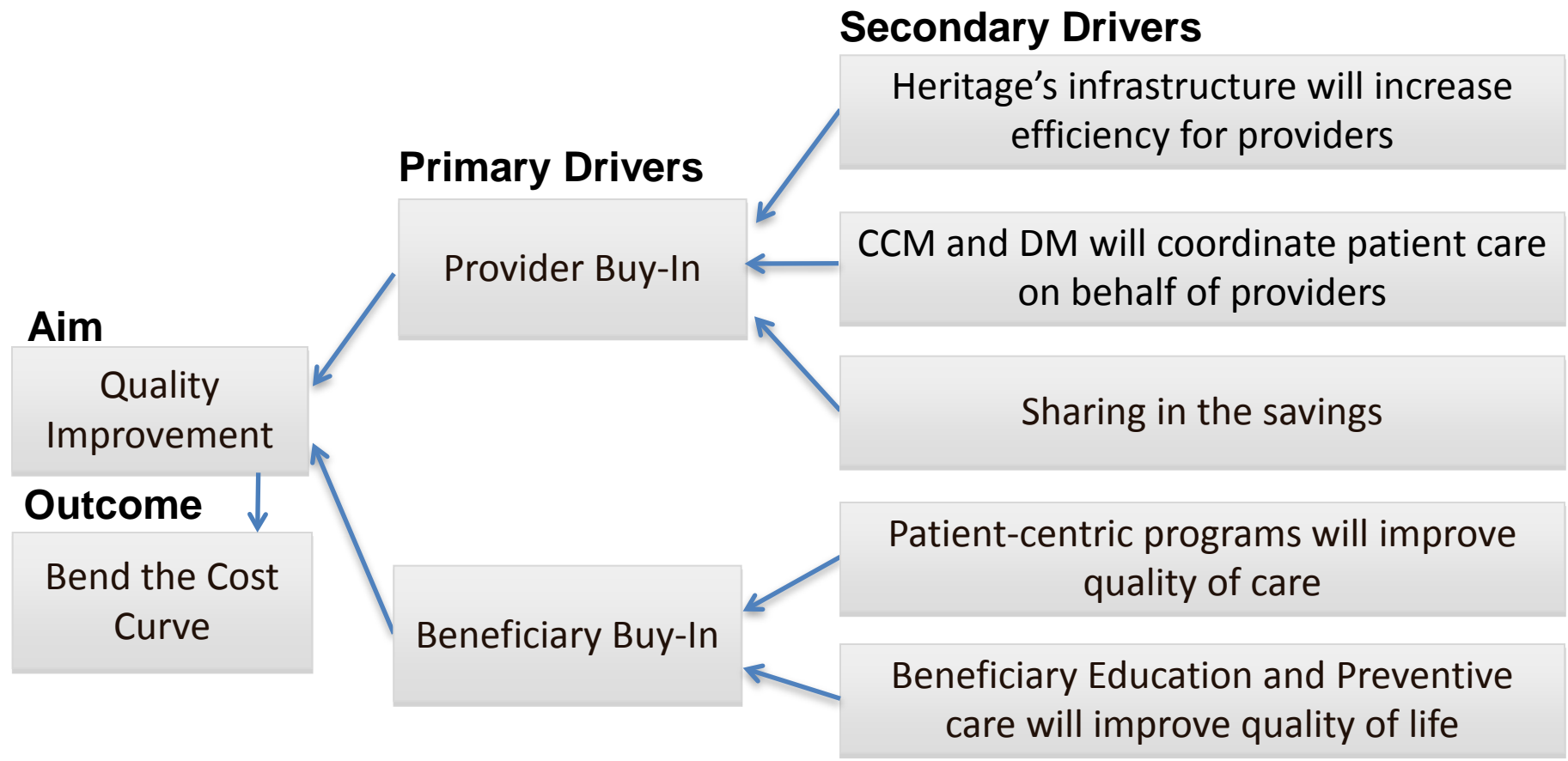
Quality Improvement

Outcome:

Bend the cost curve



Drivers to Accomplish Our Aim



Strengths

Heritage California ACO has existing cost-containment processes and utilization and quality management systems in place that have been time-tested in a managed care environment with proven results.

- Proven and demonstrably effective High Risk Patient Management programs
- Interdisciplinary teams involved in oversight of disease management programs and pharmaceutical management processes
- A delivery system with emphasis on coordination of post-acute care to improve quality of care and achieve cost reduction
- Focus on beneficiary education and preventive care

The absence of a proven track record of the ACO program is the major challenge.

- A lack of formal introduction of the value of the program to the providers and beneficiaries
- The providers can ultimately elect to participate in physician-sponsored Shared Savings ACOs rather than Pioneer ACOs
- Concern if Disease Management and Care Coordination Programs will yield enough savings to offset ACO implementation costs
- Making certain that the differences between an ACO Beneficiary and an MAPD Senior Enrollee is clearly understood by both ACO Beneficiaries and Providers