

BetterTogether



SHARP COMMUNITY MEDICAL GROUP 2017 ANNUAL REPORT

SHARP COMMUNITY MEDICAL GROUP, through its network of affiliated physicians, is the model of choice for patients to receive care and physicians to practice medicine. We foster high quality, efficient, financially sustainable practices that improve health and deliver better care for our population.

| | |
|--|----|
| Board of Directors | 1 |
| Conversation with Dr. Kenneth Roth and Paul Durr | 2 |
| Community Connect by the Numbers | 4 |
| Top Performers in Quality | 5 |
| Top Performers in Patient Experience | 6 |
| Access to Care | 8 |
| Medical Group Awards | 9 |
| 2017 Financial Results | 10 |
| Financials | 12 |

2017 SHARP COMMUNITY MEDICAL GROUP



Board of Directors

Front Row, Left to Right:

Ashish Wadhwa, M.D.
Sharna Shachar, M.D.
Ada Marin, M.D.
Kenneth Roth, M.D. (President)
Larry Chiang, M.D.
Eric Orr, M.D.

Back Row, Left to Right:

Dennis Dominguez, M.D.
Louis Maletz, M.D. (ex-officio)
Alejandro Paz, M.D. (ex-officio)
Alan Schoengold, M.D. (ex-officio)
Victor Seikaly, M.D.
Carlos Castro, M.D. (Treasurer)
Charles A. Athill, M.D.
David Bodkin, M.D. (Secretary)
Gregory Czer, M.D.
Sergio Flores, M.D. (Vice President)
Franklin Martin, M.D.
Mark Huang, M.D.

Not pictured:

Kevin Considine, D.O.

The Vision for Tomorrow Begins Today

A conversation with **Dr. Kenneth Roth**, President, and **Paul Durr**, Chief Executive Officer

Durr: For Sharp Community Medical Group, 2017 was another year of strong performance. We paid out over \$24 million to physicians through our Quality Incentive Service Recognition (QISR) program. Working collaboratively with our hospital partners, Sharp HealthCare and Palomar Health, we received over \$10.7 million from hospital risk pools. We also increased our tangible net equity by \$2.1 million. Through our strong financial performance, SCMG continues to be recognized as one of the most successful IPAs in the country.

Durr: Dr. Roth, reflecting back on last year, is there any single event or undertaking that stands out above the rest for you?

Roth: Yes, I immediately think of the eye-opening work we did with ResearchWorks, which led to the formation of Vision 2020. I think when we look back at our organization's history a few years from now, the launching of Vision 2020 will stand out as a pivotal moment in the evolution of SCMG.

Durr: I agree with you. Can you speak more about why you feel that way?

Roth: In the 28-year history of SCMG, we have never required physicians to meet any specific performance standards to remain in our medical group. For the most part, we have accepted any interested physicians into our group as long as they were board-certified. Requiring a minimum standard of performance in order to remain in our medical group is a game-changer. It is a significant change, but I truly believe it is what we must do if we are ever going to raise the group's overall quality scores. It is what consumers, employers and the health plans demand. We have to raise our quality scores if we are to remain competitive in the marketplace.

Durr: I couldn't agree more. For years, we've tried to motivate improved performance through

our Quality Incentive Service Recognition (QISR) program. This isn't a new goal. We have some really wonderful physicians who have worked hard to improve or maintain their performance on key quality metrics. Unfortunately, a few poorly performing physicians can drag down the medical group's quality scores. We need to ensure that the high performing physicians of SCMG receive the recognition they deserve.

Durr: Vision 2020 has two key imperatives - quality improvement and growth. Growth of not only patients, but of top physicians. Do you see these two objectives as going hand-in-hand?

Roth: Yes, without a doubt. First off, if we want to attract and retain top physicians, SCMG has to be viewed and respected as being the best. Top physicians want to be affiliated with the best - the best physicians in their respective fields of medicine, recognized for providing the best quality care. Based on the feedback from the surveys ResearchWorks conducted, we know we have some work to do.

Durr: Agreed. I believe that if we continue to focus on improving overall quality, the patients will want to be seen by our physicians. As we improve our quality scores, health plans will take notice. We will be included in narrow networks recognized for providing high quality, efficient care. Employers will take notice, and patients will choose our physicians because of the excellent care they receive.

Durr: How does the High Value Network (HVN) initiative fit into Vision 2020?

Roth: The way I see it, HVN was the first step in the performance improvement journey. Significant accomplishments were achieved in PCP quality measures. Vision 2020 takes the quest for quality improvement a step further. It includes specialists. It establishes a minimum level of quality and performance



in order to remain in the network, and it provides an objective way to evaluate physician performance. The HVN initiative didn't go away, it was just folded into Vision 2020.

Durr: The "Better Together" motto emerged from the interviews conducted by ResearchWorks. In the interviews, ResearchWorks spoke with SCMG physicians, SCMG leadership, Sharp HealthCare, Palomar Health, leaders from Arch Health, Graybill, and the health plans. Regardless of the level of engagement with SCMG, one idea was equally embraced by all - the belief that we are better together.

Roth: Yes, it was encouraging to hear that feedback. Health care reform continues to put increased pressures and demands on physicians and health care providers. It would be very difficult for independent physicians/practices to survive without the added support of a managed services organization (MSO), helping them with care coordination, complex case management, chronic disease management, as well as helping them to comply with new health care regulations. I get tired of hearing physicians say "What is SCMG making us do now?" I tell them that we - the physicians - are SCMG. This organization is physician-owned and physician-led. There is no "us" versus "them." The Board of Directors and the Executive Committee set the direction for the organization. The MSO

supports us in achieving the goals we have set. I'm pleased that physicians recognize that we are better together, because I believe it would be very difficult for independent practices and solo physicians to make it on their own in today's demanding health care environment.

Durr: I don't want to close without mentioning that SCMG was recognized as "Best Medical Group" for the third year in a row in the Union-Tribune's Best of San Diego Reader's Poll. This is a huge acknowledgment for SCMG. I think it confirms that we moving in the right direction. Would you agree?

Roth: Absolutely! This is a tremendous recognition for the medical group! Being voted Best Medical Group for a third consecutive year has been a big source of pride and encouragement for our physicians. I couldn't be prouder of our group and all of the physician leaders who have taken an active role in guiding our organization on this path of continued improvement. It is an honor for me to serve as their President.



KENNETH ROTH, M.D.
PRESIDENT



PAUL DURR
CHIEF EXECUTIVE OFFICER

Community Connect **By the Numbers**



212

TOTAL #

PROVIDERS ON EHR*

Up 31 from previous year



65

TOTAL #

PRACTICES ON EHR*

Maintained consistency with
12 providers terming or retiring



6

**# OF PROVIDERS
IN THE PIPELINE**

Happening in tandem
with Cerner project



59,270

**# OF PATIENTS ON
FOLLOWMYHEALTH**

Up 21,982 from previous year



58

**% OF SCMG'S HMO POPULATION
THAT ARE NOW ON CONNECT EHR***

Exceeded goal of 50%

Top Performers in **QUALITY**

CONGRATULATIONS to the Primary Care Physicians who achieved or exceeded the **75th percentile** in the Quality domain for 2017.



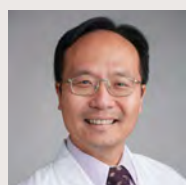
Bryan Abramowitz, M.D.



J. Deryl Adderson, M.D.



Mumtaz Almansour, M.D.



Larry Chiang, M.D.



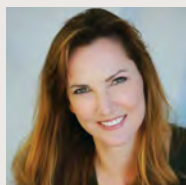
Iyabo Daramola, M.D.



Elaine Gertser, M.D.



Razi Hekmat, M.D.



Michelle Liske, M.D.



Patrocina Magat, M.D.



Bernard Michlin, M.D.



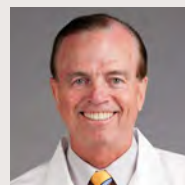
Troy Niguidula, M.D.



Roger Oen, M.D.



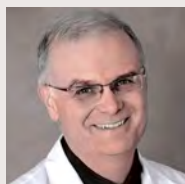
William Padilla, M.D.



John Pedrotty Jr., M.D.



Laura Petrovich, M.D.



Harrison Robinson, M.D.



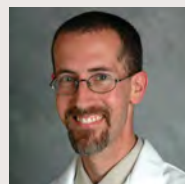
Sanas Sadrieh, D.O.



Akber Safi, M.D.



Majid Shahbaz, M.D.



Robin Spiering, M.D.



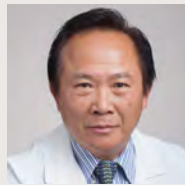
Nicole Tremain, M.D.



D. Scott Upton, M.D.



Efrain Valladolid, M.D.



Sony Vo, M.D.



Jenny Wong, M.D.



Edwin Yorobe, M.D.

Not Pictured

Ramiz Elias, M.D.

Ebitissam Korkis, M.D.

For the Quality metric, the dates of service used for measurement were August 1, 2016 through July 31, 2017.

Top Performers in **PATIENT EXPERIENCE**



Bryan Abramowitz, M.D.,
Internal Medicine, SCMG



Deryl Adderson, M.D.,
Family Medicine, SCMG



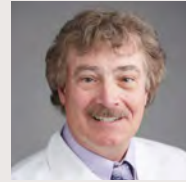
Kaveh Bagheri, M.D.,
Pulmonary Disease, SCMG



Reema Batra, M.D.,
Oncology, SCMG



Genevieve Bloom, M.D.,
Internal Medicine, SCMG



David Bodkin, M.D.,
Oncology, SCMG



Gary Boone, M.D.,
Family Medicine, SCMG



David Borecky, M.D.,
Family Medicine, Graybill



Ira Braverman, M.D.,
Internal Medicine, SCMG



Steven Brozinsky, M.D.,
Gastroenterology and
Internal Medicine, SCMG



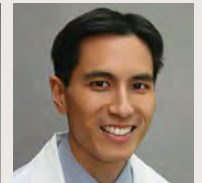
**Kimberly Byers-Lund,
D.O.**, Family Medicine,
SharpCare



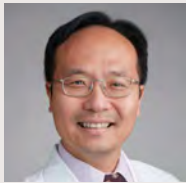
Joseph Caperna, M.D.,
Internal Medicine, SCMG



Lynne Champagne, M.D.,
Internal Medicine,
SharpCare



Bryan Chen, M.D.,
Dermatology, SCMG



Larry Chiang, M.D.,
Internal Medicine, SCMG



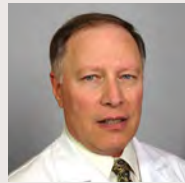
Douglas Clements, M.D.,
Ophthalmology, SCMG



Lori Coleman, M.D.,
Radiation Oncology, SCMG



Kevin Considine, D.O.,
Family Medicine, SCMG



Paul Dato, M.D.,
Urology, SCMG



Ali Delbakhsh, M.D.,
Cardiology, SCMG



Andrew Felfoldi, D.P.M.,
Podiatry, SCMG



Jeffrey Gorwit, M.D.,
Cardiology, Arch



Roberto Gratiante, M.D.,
Neurology, SCMG



David Hansen, M.D.,
Internal Medicine, SCMG



Peter Hoagland, M.D.,
Cardiology, SCMG



Denise Honer, M.D.,
Internal Medicine, SCMG



Gary Jacobs, M.D.,
Ophthalmology, SCMG



Shari Jacobs, M.D.,
Pediatrics, Graybill



Brian Jaski, M.D.,
Cardiology, SCMG



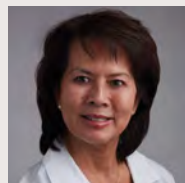
Kenneth Johnson, M.D.,
Oncology, SCMG



Noah Johnson, M.D.,
Family Medicine, SCMG



Reza Khoshini, M.D.,
Gastroenterology, SCMG



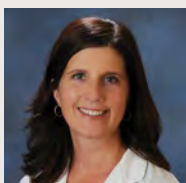
Karen Kohatsu, M.D.,
OB/GYN, SCMG



Dale Kooistra, M.D.,
Dermatology, SCMG



Robert Lawson, D.P.M.,
Podiatry, SCMG



Alison Learn, M.D., ENT
-Otolaryngology, Arch



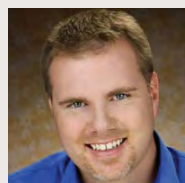
Daniel Lee, M.D.,
Gastroenterology, SCMG



Gregory Mahan, M.D.,
Cardiology, SCMG



James Malinak, M.D.,
Internal Medicine and
Rheumatology, SCMG



**Jeremy McCandless,
M.D.**, Orthopedic Surgery,
SCMG



Gary McFeeters, M.D.,
Family Medicine, SCMG



Kevin Merkes, M.D.,
Internal Medicine, SCMG

Special Recognition goes to the physicians who achieved or exceeded the **90th percentile** in the Patient Experience domain for 2017.



Scott Miller, M.D.,
Family Medicine, Arch



Mona Mofid, M.D.,
Dermatology, SCMG



Barzan Mohedin, M.D.,
Internal Medicine, SCMG



Roger Oen, M.D., Family
Medicine, SharpCare



Vanessa Peters, M.D.,
Family Medicine, Graybill



Gregory Phillips, M.D.,
Family Medicine, SCMG



Leticia Polanco, M.D.,
Family Medicine, SCMG



Douglas Politoske, M.D.,
Gastroenterology, SCMG



Charles Redfern, M.D.,
Oncology, SCMG



Kristen Rice, M.D.,
Oncology, SCMG



Craig Saffer, M.D.,
OB/GYN, SCMG



Akber Safi, M.D.,
Internal Medicine, SCMG



Elizabeth Salada, M.D.,
Internal Medicine, SCMG



Bobak Salami, M.D.,
Cardiology, SCMG



Alfred Saleh, M.D.,
Oncology, SCMG



Majid Shahbaz, M.D.,
Internal Medicine, SCMG



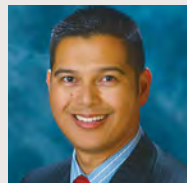
Richard Snyder, M.D.,
Gastroenterology, SCMG



Khalil Soomro, M.D.,
Internal Medicine, SCMG



Donald Tecca, M.D.,
Internal Medicine, SCMG



F. Omar Tordilla, M.D.,
Family Medicine, Graybill



D. Scott Upton, M.D.,
Internal Medicine/
Pediatrics, SCMG



Paul Volpp, M.D.,
Radiation Oncology, SCMG



Ashish Wadhwa, M.D.,
ENT-Otolaryngology, SCMG



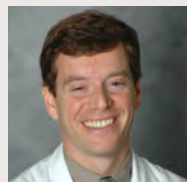
Kenneth Warm, M.D.,
Family Medicine,
SharpCare



John Webb, M.D.,
Family Medicine, SCMG



Stanley Weinberg, M.D.,
Family Medicine, Graybill



Geoffrey Weinstein, M.D.,
Radiation Oncology, SCMG



Aeron Wickes, M.D.,
Family Medicine, Graybill



William Winternitz, M.D.,
Orthopedic Surgery, SCMG



Frank Winton, M.D.,
Family Medicine, Graybill



Jenny Wong, M.D.,
Family Medicine,
SharpCare



Kin Wong, M.D., Family
Medicine, SCMG



Kai Zu, M.D., Oncology,
SCMG

Not Pictured

Isaac Bakst, M.D., Neurology, M.D., SCMG

Derya Coskun, M.D., Neurology, SCMG

Yvonne Celeste Goff, M.D., OB/GYN, SCMG

Roy Johnson, M.D., Family Medicine, Arch Health Medical Group

Gregory Langford, M.D., OB/GYN, SCMG

Arthur Mabaquiao, M.D., Rheumatology, SCMG

Joan Marie Meyer, D.P.M., Podiatry, SCMG

Mearl Naponic, M.D., OB/GYN, SCMG

Press Ganey surveys received from January 1, 2017 through December 31, 2017. Physicians must have had 30 surveys or more to be included.

ACCESS TO CARE

We understand that easy access to care is important to our patients. That's why we provide many ways to access the care people need, when and where they need it.



DOCTOR OFFICE VISIT

Over 800 Primary & Specialty Care Physicians

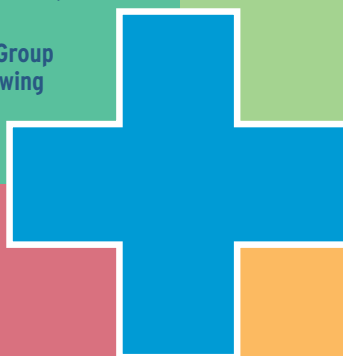
Our network includes:

- Sharp Community Medical Group
350 locations
- Graybill Medical Group
12 locations
- Arch Health Medical Group
11 locations
- SharpCare Medical Group
2 locations and growing



CARE IN YOUR NEIGHBORHOOD

- 16 CVS MinuteClinics
- 2 Palomar Health Expresscares



URGENT CARE

- 21 Contracted Urgent Care Centers



EMERGENCY ROOM

- 4 Sharp HealthCare Hospitals
- 2 Palomar Health Hospitals
- 1 Rady Children's Hospital



CAPG STANDARDS OF EXCELLENCE™ AWARD

SCMG Achieves “Elite” Status

8TH CONSECUTIVE YEAR

Sharp Community Medical Group, achieved “Elite” status - the highest level of recognition - and was acknowledged with the 2017 Standards of Excellence Award™ at the CAPG Annual Healthcare Conference for the eighth consecutive year.

Members are surveyed regarding Care Management Practices, Information Technology, Accountability and Transparency, Patient-Centered Care, Group Support of Advanced Primary Care, and Administrative and Financial Capability.



BEST MEDICAL GROUP AWARD

San Diego Union-Tribune Readers Name SCMG “Best Medical Group”

3RD CONSECUTIVE YEAR

The readers of The San Diego Union-Tribune named Sharp Community Medical Group “the Best Medical Group in San Diego” for the third consecutive year.

The outstanding care provided by all of the SCMG-affiliated physicians, practice staff and employees of SCMG is what makes this highly visible achievement possible.

Best Medical Group
Sharp Community Medical Group





SHARP Community
Medical Group

(858) 499-2550

scmg.org