



Change Management

The Need

These clients were experiencing company-wide changes and required a strategic communication and messaging plan to manage the shifting priorities. The first client had decided to dismantle a health insurance partnership, impacting countless employees and beneficiaries. The second client was acquired, resulting in wide-spread impact on salaries and job expectations. Both clients required a clear articulation of the change and accompanying timeline.

Our Solution

Big changes often lead to worry, culture upset and rumors. Combating this requires strong leadership communication in the form of honesty, integrity, and discretion. Or, as we call it at Jessica Ovadia, the “Communication Trifecta.”

Through the lens of our communication trifecta, we delivered each client a comprehensive, strategic messaging document outlining the major changes, who will be impacted, how and why. The document served as a guide, providing precise language for leadership to use when meeting with their employees. We also provided specific answers to some tough questions, particularly around issues which had not yet been resolved.

The Results

With a communication strategy and messaging guide, the clients were able to comfortably lead their constituents during a time of uncertainty. This improved employee buy-in and led to a smoother transition for leadership and employees.



Status of the Evergreen Plans

As was alluded to in the Executive Leadership communication, cascaded on September 23rd, Ever and Green have indicated plans to transition out of the risk business. As such, we anticipate further contraction of the Consulting - Evergreen partnership.

On September 23, 2015, Evergreen announced its decision to discontinue its Medicare Choice plan. Coverage for Medicare beneficiaries will continue through the end of 2015. Ever's MyHealth360 employee plan and Green's Employee Medical Plan will be transitioning to other TPAs as of January 1, 2016. At this time, we believe Evergreen commercial customers will remain with Evergreen for the duration of their contracts.

Why Has Evergreen Decided to Make These Changes?

- Ever and Green started Evergreen as a part of each system's strategy to better coordinate and manage patient care in their communities.
- In many ways, Evergreen's Medicare Advantage plan has been successful.
 - The plan achieved high member satisfaction, supported the delivery of high quality care and held cost trends flat per member over the past 18 months.
- Despite this success, Evergreen has decided to transition out of the risk business.
- System-wide transformation — particularly when multiple systems are involved — is a complex undertaking, and some organizations will ultimately determine they are not willing to make the investments necessary to pursue value-based care.



- We are heartened that most of our customer base is seeing strong growth opportunities through value-based care.
- Consulting Health remains dedicated to helping our partner, Evergreen, during this transition period – ensuring we support the leadership, provider, and member communities.
- If you would like to discuss the Evergreen decision further, please contact Joe Ryan at Joeryan@consultinghealth.com for more information.

Supporting FAQ's

- 1) What is happening to the Evergreen Medicare Choice plan?
Evergreen will be discontinuing its Medicare Advantage (MA) program as of January 1, 2016. Letters have been sent on a rolling basis to Medicare Choice members, beginning on September 23, 2015.
- 2) Will Evergreen continue to administer the benefit plan for Ever Healthcare and Green Health System employees?
Evergreen will continue to administer the employee benefit plans for Ever Healthcare and Green Health System through December 31, 2015. Both employee benefit plans will be administered by new plan administrators beginning January 1, 2016. Employees will receive more information during each organization's open enrollment period.
- 3) Does this mean Evergreen is closing?
No. Currently, Evergreen plans to serve its commercial clients through 2016.
- 4) Why has Evergreen decided to discontinue Medicare Choice and switch administrators for their employee plans?



Evergreen has decided to transition out of the risk business. System-wide transformation — particularly when multiple systems are involved — is a complex undertaking, and some organizations will ultimately determine they are not willing to make the investments necessary to pursue value-based care.

Ever and Green started Evergreen as a part of each system's strategy to better coordinate and manage patient care in their communities. In many ways, Evergreen's Medicare Advantage plan has been successful. The plan achieved high member satisfaction, supported the delivery of high-quality care and held cost trends flat per member over the past 18 months.

- 5) Does this decision have an impact on either Ever Healthcare or Green Health System's financial future?

No. Both Ever and Green remain financially strong.

- 6) What lessons has Consulting Health learned from this experience?

At Consulting Health, we pride ourselves on our ability to learn from past experiences and apply that to current and future work. As such, over the last four years, we have become more sophisticated in identifying opportunities with partners who are committed to value-based care. That being said, there are certain components of this specific Evergreen situation that could not have been avoided. Local dynamics in the greater Balten region contributed to Evergreen's ultimate decision to exit the risk business.

Consulting Health remains committed to helping Evergreen through this transition process and looks forward to sharing lessons learned to improve upon our already strong partnerships across the country.



7) Are our other health plan partners looking to exit too?

No. Evergreen's decision was based on local market dynamics and has nothing to do with the performance of our other partners around the country.

In fact, two of our partners have set aggressive growth goals for their plans and are investing a lot of time and resources on Annual Open Enrollment this year. While we are disappointed in our contracting relationship with Evergreen, we are heartened that most of our customer base is seeing strong growth opportunities through value-based care.

8) Where can I go for more information?

If you have additional questions or would like to discuss this further, please feel free to reach out to your manager or Joe Ryan at Joeryan@consultinghealth.com.



Announcing Bob Health's Partnership with EVP to form Care Solutions

Abridged Announcement

Bob Health (BOB) has joined EVP, an emergency medicine management group based in Canton Ohio, to become a founding partner in Care Solutions (CS).

CS is a majority owned physician Emergency Medicine management business with the goal of growing its' footprint to offer excellent patient care to an even greater number of patients. To secure strategic and financial resources, BOB and EVP have entered into a partnership with Growth Ventures, a private equity firm specializing in the growth of physician group's like ours. As a majority physician-owned entity, CS will allow our day-to-day operations to continue as they have been. However, we look forward to benefiting from the increased access to best practices, resources and capital through this new partnership.

For more information, please contact xxx at xxx-xxx-xxxx.

Executive Summary

Bob Health (BOB) has joined EVP, an emergency medicine management group based in Canton Ohio, to become a founding partner in Care Solutions (CS).

BOB Background

As a physician owned and operated business for nearly 20 years, BOB has focused on its fundamental vision of Making People Better. Despite



competition in the market, our dedication to our employees, partners and patients has undoubtedly led to continued growth and success. We have partnered with an excellent group of hospitals, across the region, and are proud of the quality of care, programs, and resources we provide daily.

Industry Changes

Of course, during our tenure, we have experienced shifts in the way health care is discussed, managed and delivered. And the past few years have been no exception. Changes implemented at unprecedented speed, the passage of the Affordable Care Act (ACA), and the push towards value-based reimbursement have all contributed to health care organization consolidation and innovation. Thus far, thanks to the great work of our employees and hospital partners, BOB has remained independent as we adapt to the changing landscape. However, over the past two years, a new trend has been introduced to our industry - the consolidation of Emergency Medicine management businesses to form large, publicly traded companies.

Presently, TeamHealth and Envision (EN), two large Emergency Medicine management businesses, control over 25% of the outsourced Emergency Medicine physician services market, with plans for continued, rapid growth. A couple of years ago, TeamHealth acquired Premier as well as Morningstar Emergency Physicians, the former of which had been one of the longest standing physician-owned ED groups. More recently, EN acquired Emergency Medical Associates (EMA- of NJ), Scottsdale Emergency Associates (SEA) and TeamHealth acquired Fremont Emergency Services (Nevada), amongst others.

Historically, a coalition of democratic, physician-owned EM groups including EVP – our new partner – had provided a counterweight to TeamHealth and EV. However, these recent transactions suggest that the “big two” continue to grow, putting those of us in the smaller group at risk.

BOB Partners with EVP to Form CS



It became clear that to remain competitive and continue to serve the needs of our employees, partners, and patients, we needed to consider our options. Unwilling to sell the company outright, partnering with EVP to form CS emerged as a great opportunity. CS is a majority owned physician Emergency Medicine management business with the goal of growing its' footprint to offer excellent patient care to an even greater number of patients. To secure strategic and financial resources, BOB and EVP have entered into partnership with Growth Ventures, a private equity firm specializing in the growth of physician group's like ours.

CS will allow our day-to-day operations to continue as they have been. However, we look forward to benefiting from the increased access to best practices, resources and capital through this new partnership, as we grow.

Next Steps

BOB has always been committed to transparency and honesty and this is no exception. In the coming weeks, as discussions within CS continue, we will follow up with each of you to ensure all information is shared in a timely and appropriate manner. In the meantime, if you have questions or concerns, please don't hesitate to reach out to xxx at xxxx.

Growth Ventures

Growth Ventures will serve as capital partner to CS. As a private equity firm specializing in helping healthcare businesses like ours grow and improve operations, Growth Ventures will be an excellent partner.

Growth Ventures has successfully partnered with physicians and major integrated delivery systems to form US Partners, Surgical Needs, Oncology Global and others. These groups have seen success in patient volume, delivery of care, and financial returns.

BOB is confident that the partnership between CS and Growth Ventures will bring the resources, business support and capital needed to help expand our services and scope of care.



For more information, feel free to visit Growth Ventures website at xxxxxxx.com.

Talking Points

General

- BOB Health (BOB) has joined EVP, an emergency medicine management group based in Canton Ohio, to become a founding partner in Care Solutions (CS)
- CS is a majority owned physician Emergency Medicine management business with the goal of growing its' footprint to offer excellent patient care to an even greater number of patients
- To secure strategic and financial resources, BOB and EVP have entered into a partnership with Growth Ventures, a private equity firm specializing in the growth of physician group's like ours
- This joint venture provides access to additional resources, capital and expertise – which will help us continue to compete in this changing health care industry
- As a majority physician-owned entity, CS will allow our day-to-day operations to continue as they have been
- However, BOB looks forward to benefiting from the increased access to best practices, resources and capital through this new partnership

Hospital Partners and Administrators

- BOB is committed to ensuring our employees, hospital partners, and patients remain our top objective
- As a valued hospital partner, you have been a key component to our success thus far
- As a founding partner in CS, a majority, physician-owned company, we look forward to delivering on our ED, observation, hospitalist and post-acute care business objectives
- The care and services provided to your patients – and the local BOB staff who support the delivery of that care – will remain
- Tax status and current payer contracts will remain as well



- We thank you for your partnership and look forward to our continued work together

Campus Partners, BOB Physicians & APPs

- All BOB employees will sign new employee agreements
- All current BOB partners will become partners in CS
- All none partner BOB physicians will be gifted \$xx,xxx in stock on a 5 year vesting schedule
- All current BOB APP's will receive a financial bonus once the transaction is complete
- BOB will lead the Mid-Atlantic region of growth through CS - providing further opportunity for growth and continued ownership
- Clinical compensation and benefits for employees will remain for 2016. If opportunities arise to offer stronger benefits to our employees or improve compensation models in the future, we will communicate our plans accordingly

Newly Hired Physicians

- Clinical compensation and benefits for employees will remain for 2016. If opportunities arise to offer stronger benefits to our employees or improve compensation models in the future, we will communicate our plans accordingly
- Each full-time physician will be eligible to be an equity owner at time of employment in CS
- As a majority, physician-owned entity, CS will allow our day-to-day operations to continue as they have been
- However, we look forward to benefiting from the increased access to best practices, resources and capital through this new partnership
- CS allows physicians to maintain ownership and clinical autonomy while accessing resources to offer the best care possible to patients