NAVIGATING THE WINDS OF CHANGE

2019 ANNUAL REPORT
To navigate the winds of change and endure turbulent seas, sailors assemble the right people, the right tools and ensure a safe voyage through planning, teamwork and tenacity. Here at Affinia Health Network, we bring together the same elements of success to reach our own destination: high value health care.

But what does high value health care mean? For us, it means transforming our system from a costly and unsustainable, volume driven model to one that rewards providers based on quality, cost and outcomes. To deliver on our vision, we have to build innovative contracts with health plan partners that incentivize excellent care delivery and appropriate utilization of our resources rather than rewarding throughput and a high volume of visits, tests and procedures.

Over 2019, we’ve focused on growing, diversifying, and maximizing our payer portfolio. Eight contracts have been renegotiated, we’ve introduced two new payers to the market, and were jumping head first into direct to employer contracting. Affinia Health has long been committed to being a transforming and healing presence within our communities, pioneering clinical and payment transformation efforts starting most visibly with the Medicare Shared Savings Program (MSSP) Track 1 or POM Accountable Care Organization (ACO) in 2013. Since then, we’ve aggressively moved a significant book of business into alternative payment models (APMs) totaling 215,000 lives or 83% of our total attributed lives in 2018. Most of these arrangements did not include any financial risk – only 21% of those 215,000 lives assumed downside exposure. But APMs that take accountability for cost increases or downside risk consistently perform better than APMs that do not.

In fact, the Centers for Medicare and Medicaid Services (CMS) has limited the amount of time an ACO can remain in an upside only contract through its Pathways to Success Program.

Over the past year, we’ve taken on significant risk, almost doubling the number of lives in a downside risk model. In 2019, 39% of our now 221,000 APM lives fall into a more advanced two-sided risk model, under which our physician partners can be rewarded for their exceptional care.

Our new direct to employer contracts further demonstrate our commitment to improving the health and economic wellbeing of West Michigan. Historically, employer sponsored health insurance leaves providers a step removed from product development and cost containment strategies. Throughout 2019, we’ve worked with innovative employers and third party administrators (TPAs), to flip this paradigm on its head, realign incentives, develop advantageous contracts and a path towards risk. Through longitudinal relationships with employers and coordination of care within our high value network, we’re working together to bend the cost curve, something that cannot be formed through a historical focus on discounts and short term relationships with payers. Our underlying premise, supported by research and experience, is that high quality and well-coordinated care designed around a patient’s individual needs and desires is also the most cost-effective at a population level.

Vice President of Population Health

Executive Medical Director
2019

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ANCHORED TO OUR MISSION AND VALUES

OUR MISSION:
We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

OUR CORE VALUES:

REVERENCE
We honor the sacredness and dignity of every person.

STEWARDSHIP
We honor our heritage and hold ourselves accountable for the human, financial and natural resources entrusted to our care.

JUSTICE
We foster right relationships to promote the common good, including sustainability of Earth.

INTEGRITY
We are faithful to who we say we are.

COMMITMENT TO THOSE WHO ARE POOR
We stand with and serve those who are poor, especially those most vulnerable.
**Making Waves in the Industry**

Managing patients in a setting where providers are rewarded for outcomes instead of volume requires significant system redesign. Over the past year, much vigor and emphasis has been placed on clinical transformation - to the right are just a few of the highlights where we’ve driven favorable improvements.

Our work is not done yet, but we’ve made tremendous progress and are well positioned to thrive in a rapidly changing healthcare environment. We should feel proud of our accomplishments and have confidence that our network provides consistent, high quality, affordable care to our patients across West Michigan.

1. We have continued to build on the solid foundation of care coordination started years ago with the MiPCT program. We now have ambulatory RN care managers in or available to nearly every PCP office; they are using a population health, data-driven approach to identify at risk patients resulting in low rates of hospital admissions, readmissions, and decreasing ED visit rates for our managed patients.

2. We have begun placing RN care managers in Specialist offices to help coordinate care and lower costs, starting with endocrinology and CHF clinics.

3. We have continued to organize our network of preferred post-acute Skilled Nursing Facilities and have reduced costs for post-acute care in our ACO population by 20%; this is an expense that historically has cost as much as a hospital stay itself.

4. We have developed and implemented a financially sustainable pharmacy team to support our ambulatory and retail pharmacists in providing comprehensive medication reviews to our patients – an intervention that has been demonstrated to reduce both adverse medication effects and costs.

5. Within the Supportive Care Program, we have supplemented existing in home services with comprehensive in home assessments for our most frail population. By leveraging care management resources, we have been able to identify many patients before they require emergency or inpatient services, reducing both suffering and costs.

6. Our quality teams have continued to support PCMH implementation, and have grown the number of specialists in the Patient Centered Medical Neighborhood so that care can be coordinated.

7. Primary care offices and the AHN Quality Team have partnered to use the registry and quality tools to consistently address quality metrics and we have partnered with all of our offices on the MAP-BP program, which has resulted in sustained improvement in HTN control rated in our Network.

8. Affinia analytics and quality teams have partnered with PCP offices and the Muskegon Health Project to screen over 120,000 patients for Social Influencers of Health since we started screening 2 years ago. As a result, we have referred many needy patients to community resources for assistance, and have improved their ability to manage both acute and chronic illnesses.

9. Affinia has lead the development of a regional Integrated Care Coordination Council where all stakeholders come together to identify opportunities to better coordinate care across settings and improve outcomes while also reducing the cost of care.
RUNNING A TIGHT SHIP

8.4% Total Membership Growth Over the Past Year

1,691 Providers in Eight Counties

$1.1B Managed in APMs

266K Total Attributed Lives

221K APM Attributed Lives

$23,412,709 Total Dollars Passed through Affinia (CY18)

49% Independent Providers

285 Primary Care Physicians

64,932 Care management encounters servicing over 14,429 unique patients

784 Specialists

622 Advanced Practice Providers

95% of primary care providers earned Blue Cross Blue Shield of Michigan (BCBSM) Patient Centered Medical Home (PCMH) Designation

66% of specialists received BCBSM Value-Based Reimbursement (VBR)
SMOOTH SAILING

These results aren’t just statistics. Every hospital admission we avoid through comprehensive, proactive patient management means someone’s grandmother, uncle, father, or sister is spending more time at home with their family without the stress, worry, and expense of a hospital stay.

ELITE QUALITY

8 quality measures exceed the 90th percentile when compared to national benchmarks. An additional 5 measures exceed the 75th percentile nationally.

<table>
<thead>
<tr>
<th>QUALITY MEASURE</th>
<th>2019 PERFORMANCE</th>
<th>STATE PGIP AVERAGE</th>
<th>AFFINIA TO STATE AVERAGE</th>
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</thead>
<tbody>
<tr>
<td>Adult BMI Assessment</td>
<td>91%</td>
<td>93%</td>
<td>-2%</td>
</tr>
<tr>
<td>Appropriate Testing for Children with Pharyngitis</td>
<td>91%</td>
<td>89%</td>
<td>2%</td>
</tr>
<tr>
<td>Appropriate Treatment for Children with Upper Respiratory Infection</td>
<td>96%</td>
<td>94%</td>
<td>2%</td>
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<tr>
<td>Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis</td>
<td>53%</td>
<td>42%</td>
<td>11%</td>
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<tr>
<td>Breast Cancer Screening</td>
<td>81%</td>
<td>80%</td>
<td>1%</td>
</tr>
<tr>
<td>Cervical Cancer Screening</td>
<td>78%</td>
<td>79%</td>
<td>-1%</td>
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<tr>
<td>Childhood Immunization Status - Combination 10 Immunizations</td>
<td>68%</td>
<td>59%</td>
<td>9%</td>
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<tr>
<td>Colorectal Cancer Screening</td>
<td>75%</td>
<td>75%</td>
<td>0%</td>
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<tr>
<td>Comprehensive Diabetes Care - HbA1c Adequate Control (&lt;8)</td>
<td>64%</td>
<td>51%</td>
<td>13%</td>
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<tr>
<td>Controlling High Blood Pressure - Total</td>
<td>67%</td>
<td>59%</td>
<td>8%</td>
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<tr>
<td>Proportion of Days Covered - Diabetes All Class</td>
<td>86%</td>
<td>86%</td>
<td>0%</td>
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<tr>
<td>Proportion of Days Covered - RAS Antagonists (ACE/ARB)</td>
<td>92%</td>
<td>92%</td>
<td>0%</td>
</tr>
<tr>
<td>Proportion of Days Covered - Statins</td>
<td>89%</td>
<td>89%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: PGIP

TOTAL COST OF CARE

Affinia total cost of care is:

$15.31 PMPM & $5.07 PMPM

less than West MI regional average

<= 90th Percentile NCQA National Benchmark

<= 75th Percentile NCQA National Benchmark

Source: PGIP
AN ELITE CREW

2019 PRIORITY HEALTH QUALITY AWARD RECIPIENTS

Apple Family Medicine, PLC
Brookville Pediatric and Internal Medicine
Byron Center Family Medicine
Family Medicine Specialists, PC
Gerald VanWieren, M.D., PC
Hackley Community Care Center
MHPP Adult Medicine Specialists
MHPP Concierge Medicine
MHPP East Paris Internal Medicine
MHPP Geriatrics Muskegon
MHPP Harborwood Family Medicine
MHPP Harbour Pointe
MHPP Harbour View Family Medicine
MHPP Hart Family Medical
MHPP Innovative Primary Care
MHPP Internal Medicine and Specialty Care Muskegon
MHPP Jenison
MHPP Lakes Family Medicine
MHPP Lakeshore Family Care
MHPP Lakeshore Medical Shelby
MHPP Lakeshore Medical Whitehall
MHPP North Ottawa Internal Medicine
MHPP Northside Family Medicine
MHPP Norton Family Practice
MHPP Sable Point Family Care
MHPP Southeast
MHPP Walker Standale
MHPP Wege Internal Medicine and Residency Center
MHPP West View Family Medicine
MHPP Westshore Family Medicine
MHPP Westshore Internal Medicine
Muskegon Family Care
Patricia J. Roy, D.O., PC
Shoreline Pediatrics, PLC

2019 BLUE CROSS BLUE SHIELD OF MICHIGAN PATIENT CENTERED MEDICAL HOME DESIGNATIONS

Apple Family Medicine, PLC
Brookville Pediatric Internal Medicine, PC
Byron Center Family Medicine
Family Medicine Specialists, PC
Gerald VanWieren, M.D.
Hackley Community Care Center
James T. Ryan, D.O., PLLC
MHPP Browning Claytor Health Center
MHPP Clinica Santa Maria
MHPP Internal Medicine and Residency Center
MHPP Standale Office
MHPP Caledonia Office
MHPP Downtown Office
MHPP East Beltline Office
MHPP Harborwood Family and Lakes
MHPP Innovative Primary Care
MHPP Jenison Office
MHPP Lakeshore Medical
MHPP Northwest Office
MHPP Rivertown Office
MHPP Southeast Office
MHPP Southwest Office
MHPP Wyoming Family Medicine
MHPP East Paris Internal Medicine
MHPP Family Medicine
MHPP Family Medicine Residency Clinic
MHPP Holland North
MHPP Rockford Office

MHPP Northside Family Medicine
MHPP West Michigan Internal Medicine
MHPP Adult Medicine Specialists
MHPP Fruitport Family Medicine
MHPP Harbour Pointe
MHPP Harbour View
MHPP Hart Family Medical
MHPP Internal Medicine and Specialty Care
MHPP Lakes Family Medicine
MHPP Lakeshore Family Care
MHPP Norton Family Practice
MHPP Sable Point Family Care
MHPP West View Family Medicine
MHPP Westshore Family Medicine
MHPP Westshore Internal Medicine
Muskegon Family Care
North Ottawa Family Practice - 103
North Ottawa Family Practice - 301
North Ottawa Internal Medicine
Patricia Roy, D.O.
Port City Pediatrics, PLC
Ravenna Family Practice
Shoreline Family Medicine, PC
Shoreline Pediatrics, PLC
St. Mary’s Health Care - Sparta Health Center
Thomas L. Watkins, D.O.
American Anesthesiology of Michigan, PC
Associated Retinal Consultants
Benjamin J. Visger, D.O., PLLC
Benjamin W. Nykamp, M.D.
Cancer and Hematology Centers of West Michigan - Muskegon
Center for Vein Restoration
Christopher J. Stock, M.D., PLC
Diabetic Foot and Wound Care Center, PLLC
Foot and Ankle Specialists of West MI
Grand Health Partners
Grand River Emergency Medical Group, PLC
Grand River Gastroenterology, PC
Hand and Plastic Surgery Center, PLC
Kevin R. Kellogg, M.D.
Lake Michigan Emergency Specialists
Lakeshore Pulmonology, PLC
Lakeshore Urology, PLC
Lexes Obstetrics and Gynecology
Life Without Limits
Mercy Health Comprehensive Breast Center
Mercy Health Hauenstein Neurosciences
Mercy Health Infectious Disease
Mercy Health Johnson Family Cancer Center
Mercy Health Lacks Cancer Center
Mercy Health Life Counseling
Mercy Health Muskegon Pain Clinic
Mercy Health Pain and Palliative Care
MHPP Cardiovascular
MHPP Lakeshore Medical
MHPP OB Hospitalists
MHPP Critical Care
MHPP Hospitalist
Mercy Health Saint Mary’s Neonatal Intensive Care
Mercy Health Saint Mary’s Urgent Care
Mercy Health Urgent Care
MHPP Pulmonary Medicine
MHPP Cardiothoracic Surgery
MHPP Comprehensive Women’s Health
MHPP Lakes OB/GYN
MHPP OB/GYN Associates
MHPP Osteopathic Manipulative Medicine
MHPP Shoreline Neurosurgical Consulting
MHPP West Michigan Gastroenterology
MHPP West Shore Cardiology
Michigan Pain Consultants
Muskegon Surgical Associates, PLC
Orthopaedic Associates of Muskegon, PC
Radiology Muskegon, PLC
River Valley Orthopedics, PC
Shoreline Allergy
Shoreline Foot and Ankle Associates, PC
Shoreline Nephrology
Shoreline Vision
Specialists in Hospitalist Medicine
Surgical Associates of West MI
Urology Associates of Grand Rapids, PC
Urology Surgeons, PC
West Michigan Nephrology
West Shore Otolaryngology, PC
Westshore Diagnostics, PC
Zwemer Surgical, PLC