MACRA Vendor Expense Request
Purpose & Summary of the Brief

Prove cause to secure MACRA vendor capable of supporting ALL MACRA measures: Cost $31K

Request for special consideration, to benefit the Company
- New measures not supported by current vendor
- No other alternative measures are available options
- Total estimated potential points: Without added vendor, failure to meet the required minimum, by 10 points
- Result of failure to add vendor – Negative Medicare payment adjustment
- Points to avoid negative Payment Adjustment: 30 {-10 points, this results in 0% payment adjustment}*

Vendor vetting process summary:
- 100+ vendors reviewed, including calls, demos and materials
- Cost range of vendors: $30K - $180K+
- Recommendation supports all current and future measures, with effective reporting and transmission methods

New measures chosen to maximize Company’s:
- Chances to achieve desired designation as a leader in our healthcare specialty
- Positioning during payer contracting process (meeting payers’ requirements of successful MACRA results)
- Perception/reputation during patient decision-making: without new vendor, MACRA status would show “0”score, versus “non-participant”

Economics of saying “yes” versus “no” to the question “should we retain the recommended vendor?”
“Yes”- Results expected: MACRA benefit of $29k-$149,000, and positive brand impact (payer and patient)
“No” - Results expected: MACRA penalty of ($60k-$180k), and negative brand impact (payer and patient)
(*See tables on next slides for example)
Why Not Wait Until 2020? Why Add Vendor Now?

Waiting until 2020 would mean – devaluing results to 0?
- Harm to our reputation – reversing negative effects = Unknown
- Wasted time, resources, meetings, technical changes
- Devalue our development, training and implementing the new measures
- Technical specs change annually, efforts for this year are possibly wasted

Need a way to:
- Confirm measures implemented correctly
- Monitor results
- Identify gaps, and ensure technical and provider education resolves performance
- Report to CMS

- Example: Medicare Eligible Revenue $6,000,000
- Vendor Cost: $31,000
- Actual results depend on our performance and the outcome of all MACRA participants

<table>
<thead>
<tr>
<th>2021 Gain/Loss</th>
<th>Without the Vendor</th>
<th>With the Vendor</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example Case 1%</td>
<td>-$60,000</td>
<td>+$29,000</td>
<td>$89,000</td>
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<tr>
<td>Example Case 3%</td>
<td>-$180,000</td>
<td>+$149,000</td>
<td>$329,000</td>
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<td></td>
<td>Medium Positive Adj</td>
<td>Low Positive Adj</td>
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<tr>
<td>Time Frame</td>
<td>2021</td>
<td>2021</td>
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<tr>
<td>Estimated Medicare Reimbursement</td>
<td>$6,000,000</td>
<td>$6,000,000</td>
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<tr>
<td>Expected Benefit/Penalty (percent)</td>
<td>3%</td>
<td>1%</td>
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<tr>
<td>Expected Benefit/Penalty (dollar)</td>
<td>$180,000</td>
<td>$60,000</td>
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<tr>
<td>Vendor Cost</td>
<td>$31,000</td>
<td>$31,000</td>
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<tr>
<td>Total Gain/Loss</td>
<td>$149,000</td>
<td>$29,000</td>
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