

SHARP COMMUNITY MEDICAL GROUP

2019 ANNUAL REPORT

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2019 SHARP COMMUNITY MEDICAL GROUP

BOARD OF DIRECTORS



FRONT ROW, LEFT TO RIGHT:

Mark Huang, M.D.

Sharna Shachar, M.D.

David Bodkin, M.D. (Secretary)

Kenneth Roth, M.D. (President and

Chair)

Sergio Flores, M.D. (Vice President) Louis Maletz, M.D. (ex officio Arch)

Ada Marin, M.D.

BACK ROW, LEFT TO RIGHT:

Greg Czer, M.D.

Craig Saffer, M.D.

Franklin Martin, M.D. (Treasurer)

Ashish Wadhwa, M.D.

Victor Seikaly, M.D.

Alan Schoengold, M.D. (ex officio)

Efrain Valladolid, M.D.

Kevin Considine, D.O.

Charles Athill, M.D.

Alejandro Paz, M.D. (ex officio Graybill)

Bernard Michlin, M.D.

Patricia Kettlehake, M.D.

Eric Orr, M.D.

Larry Chiang, M.D.

Joseph Aquilina, M.D. (ex officio SharpCare)

Dennis Dominguez, M.D.

Durr: Dr. Roth, since you were one of the

A conversation with

Dr. Kenneth Roth. President. and Paul Durr, Chief Executive Officer

Durr: September 8, 2019 marked the 30th Anniversary of the formation of Sharp Community Medical Group. We started out with just 24 primary care physicians in what is now the Metro Region, contracted with one health plan, with a combined number of managed lives at roughly 10,000. Is it hard for you to fathom how far we've come since then?

Roth: Certainly, from our humble beginning, no one could have foreseen that the medical group would grow to over 800 affiliated primary and specialty care physicians, with over 130,000 managed lives. The fact that we are financially sound now, 30 years later, is a true testament to the strong physician leadership and the seasoned executive leadership of the managed services organization.

Durr: Can you summarize what led to the formation of SCMG?

Roth: In the mid-80s, the current was moving in the direction of managed care. Health plans wanted to put provider groups at risk for their membership through capitation. Sharp HealthCare had a relationship with Rees-Stealy, but independent physicians were not willing to accept capitation at the time. A small number of primary care physicians who were willing to play in the sandbox, came together in order to have more leverage in negotiating managed care contracts with the health plans. That is when we officially formed the group in September of 1989.

founding physicians, what were the early days like?

Roth: The first ten years were challenging. There were some really tough years where we didn't know if we were going to make it. At times we struggled to pay claims while learning how to practice in a managed care world.

Durr: How did the group turn things around? Do you recall some of the pivotal events that helped turn the tide?

Roth: Numerous events come to mind, but there are two that really stand out. The first was the decision to recruit specialists into accepting capitation, which required them to provide care for the patients we referred to them under a fixed budget. That move really ushered in a big turnaround for the medical group and fostered a local collaboration between PCPs and specialists in each region, improving coordination across the spectrum of care. As more specialists came onboard, we became better at efficiently managing patient care, refining the model for future success. The second critical component was the way we aligned ourselves with Sharp HealthCare. As Sharp grew, we grew. With the addition of every Sharp hospital, we were right there with them - first with Chula Vista, then Grossmont, Coronado and at one point, even Temecula with Sharp Murrieta.

Durr: I was there through much of that time and remember it well. Is there anything else that helped SCMG to turn profitable?

Roth: The decision to separate out pediatrics was a key factor. We couldn't cover the cost of pediatrics under capitation, and our health plans and providers were not able to develop



a financially sustainable model for us. We worked with the plans and providers to transition the pediatric business to Children's Hospital, who was looking to expand and lead the way in providing coordinated pediatric care. Because of the growing size of our physician network, we were able to draw a "line in the sand" with our contracted health plans and demand enough revenue to cover the cost of providing care to their patients. Owing to the success we were having as a medical group for independent physicians, we were able to expand into North San Diego County with the addition of the physicians who were part of Palomar Medical Group and Palomar-Pomerado Medical Associates in 1998. Subsequently, our affiliation with Graybill Medical Group, followed by Arch Medical Group, led to the partnership with Palomar Health, expanding our geographic footprint, supported by two large hospital systems.

Durr: Our ability to remain profitable has been the key to our growth and survival as an IPA.

Roth: Yes, the strong financial position enables us to provide physicians with a venue for independent practice, and provide patients with access to excellent care in their own communities.

Durr: How do you see our partnership with Sharp HealthCare evolving from here forward?

Roth: I think the new leadership at Sharp may provide new opportunities for the medical group to align even more closely with Sharp in mutually beneficial ways. I've had the opportunity to meet with Chris Howard numerous times. I'm impressed with his experience and the fact that he recognizes the value Sharp Community Medical Group brings to the system. The first time I met with Chris, he told me that he had never seen an IPA like SCMG. I'm confident that with Chris Howard's leadership, SCMG will have a place at the table in determining where the system goes from here.

"Sharp Community Medical Group is a true asset to Sharp HealthCare and the San Diego community as a whole. It is rare to have such a large group of independent practitioners, operating together as a leading, sophisticated IPA medical group, partnered as one with the region's leading care system to deliver exceptional care to patients in communities far and wide. I am thoroughly impressed by SCMG, its physician and administrative leadership, and look forward to fostering a meaningful and successful relationship in the years ahead."

> Chris Howard, President & Chief Executive Officer, Sharp HealthCare

Durr: Looking forward, what do you think will be required for SCMG to continue to prosper for another 30 years?

Roth: We have to continue to demonstrate strong leadership, especially in times of hardship. That requires us to communicate better and proactively manage through any challenges along the way. The strength of our group comes from the strong physician leadership and the collective talent of our executive administration. The physicians and shareholders trust us and know they can depend on us. I think that trust is the key component of our success, as well as the sense of "groupness" we've developed over the years. Our interdependence allows us to remain independent. And I believe that sense of "groupness" stems from the realization that we are all truly

Better Together.



KENNETH ROTH, M.D. **PRESIDENT**



PAUL DURR **CHIEF EXECUTIVE OFFICER**



APG STANDARDS OF EXCELLENCE™ AWARD

SCMG Achieves "Elite" Status

10TH CONSECUTIVE YEAR

Sharp Community Medical Group, achieved "Elite" status - the highest level of recognition - and was acknowledged with the 2019 Standard of Excellence AwardTM at the APG Annual Healthcare Conference for the tenth 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.



INTEGRATED HEALTHCARE AWARD

SCMG receives "Excellence in Healthcare" award

3 YEARS

Sharp Community was recognized by the Integrated Healthcare Association (IHA) with the 2019 Excellence in Healthcare award. SCMG also received this recognition in 2015 and 2016.

The Excellence in Healthcare award is the highest level of achievement recognizing physician organizations that have succeeded at achieving strong quality results while effectively managing costs.



BEST MEDICAL GROUP AWARD

San Diego Union-Tribune Readers Name SCMG "Best Medical Group"

4 YEARS IN A ROW

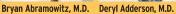
The readers of San Diego Union-Tribune named Sharp Community Medical Group "the Best Medical Group in San Diego" four years in a row, from 2015 to 2018.

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

TOP PERFORMERS IN QUALITY

CONGRATULATIONS to the Primary Care Physicians who achieved or exceeded the 75th percentile in the Quality domain for 2018.









Muhammad Azam, M.D. Gary Boone, M.D.





Ira Braverman, M.D.



Kimberly Byers-Lund,



Noli Cava, M.D.



Lynne Champagne, M.D. Larry Chiang, M.D.





Gregory Czer, M.D.



Jeffrey Dysart, M.D.



Rolf Ehlers, M.D.



Christine Eros, M.D.



Denise Honer, M.D.



Patricia Kettlehake,



S. Douglas Klein, M.D.



Tung Lai, M.D.



Ellyn Levine, M.D.



Michelle Liske, M.D.



Martha Lozano, M.D.



James Malinak, M.D.



Kevin Malone, M.D.



Karim Mansour, M.D.



Ada Marin, M.D.



Kevin Merkes, M.D.



Tue Nguyen, M.D.



Troy Niguidula, M.D.



Roger Oen, M.D.



William Padilla, M.D.



Laura Petrovich, M.D.



Gregory Phillips, M.D.



Stephen Reitman, M.D. Harrison Robinson, M.D. Kenneth Roth, M.D.







Sanas Sadrieh, D.O.



Akber Safi, M.D.



Elizabeth Salada, M.D.



Victor Seikaly, M.D.

TOP PERFORMERS IN PATIENT EXPERIENCE

Special Recognition goes to the physicians who achieved or exceeded the 90th percentile in the Patient Experience domain for 2019.



Bryan Abramowitz, M.D.
Internal Medicine



Deryl Adderson, M.D. Family Medicine



Joseph Allen, M.D. Family Medicine



Joseph Aquilina, M.D. Family Medicine



Kaveh Bagheri, M.D.Pulmonary Disease



Philip Bajo, M.D. Cardiology



Hugo Barrera, M.D. General Surgery



Reema Batra, M.D. Oncology



David Bodkin, M.D. Oncology



Gary Boone, M.D. Family Medicine



Ira Braverman, M.D.Internal Medicine



Kimberly Byers-Lund, D.O.Family Medicine



Noli Cava, M.D. Internal Medicine



Daniel Cepin, M.D. Cardiology



Lynne Champagne, M.D.



Alexander Chang, M.D., Vascular Surgery



Andrew Chen, M.D. Cardiology



Bryan Chen, M.D.Dermatology



Gary Cohen, M.D.



Kevin Considine, D.O. Family Medicine



Adam Dao, M.D. Ophthalmology



Ali Delbakhsh, M.D.



Thomas Diggs, M.D. Cardiology



Jeffrey Dysart, M.D. Family Medicine



Rolf Ehlers, M.D. Internal Medicine



George Fadda, M.D.



Li Fan, M.D.



Andrew Felfoldi, D.P.M.



Christopher Gilbert, M.D. Cardiology



Nicole Gullick, M.D. Family Medicine



Brij Gupta, M.D. Internal Medicine



Michael Halls, M.D.Plastic Surgery



David Hansen, M.D.



Peter Hoagland, M.D. Cardiology



Denise Honer, M.D. Internal Medicine



Gayle Howard, M.D.
Ophthalmology



Stephanie lem, D.O. Family Medicine



Gary Jacobs, M.D. Ophthalmology



Mark Kadden, M.D. Gastroenterology



Lorne Kapner, M.D.



Reza Khoshini, M.D. Gastroenterology



S. Douglas Klein, M.D. Internal Medicine



Gregory Langford, M.D. OB/GYN



Daniel Lee, M.D.Gastroenterology



Lillian Lee, M.D. Ophthalmology



Ellyn Levine, M.D. Internal Medicine



Michelle Liske, M.D. Internal Medicine



Jose Lopez, M.D. Internal Medicine



Jennifer MacEwan, M.D. Otolaryngology



Mikhail Malek, M.D. Cardiology



James Malinak, M.D. Internal Medicine



Igor Medic, M.D. Oncology



Kevin Merkes, M.D. Internal Medicine



Mona Mofid, M.D. Dermatology



Barzan Mohedin, M.D. Internal Medicine



Roger Oen, M.D. Family Medicine



Christopher Pallia, M.D. Orthopedic Surgery



Vanessa Peters, M.D. Family Medicine



Larry Pollack, M.D.Plastic Surgery



Charles Redfern, M.D. Oncology



Stephen Reitman, M.D.



Kristen Rice, M.D. Oncology



Akber Safi, M.D. Internal Medicine



Bobak Salami, M.D. Cardiology



Alfred Saleh, M.D. Oncology



Victor Seikaly, M.D. Internal Medicine



Majid Shahbaz, M.D. Internal Medicine



Casie Shenoy, M.D. Oncology



Marie Shieh, M.D. Oncology



Alexander Shpaner, M.D.Gastroenterology



Richard Snyder, M.D. Gastroenterology



Khalil Soomro, M.D. Internal Medicine



Salvatore Tarantino, M.D. Internal Medicine



Neil Tarzy, M.D. Family Medicine



Donald Tecca, M.D.
Internal Medicine



F. Omar Tordilla, M.D. Family Medicine



Barry Uhl, M.D.
Radiation Oncolog



D. Scott Upton, M.D. Internal Medicine



Paul Volpp, M.D. Radiation Oncology



Ashish Wadhwa, M.D. Otolaryngology



John Webb, M.D. Family Medicine



Terry Winegar, M.D. Family Medicine



Frank Winton, M.D. Family Medicine



Jenny, Wong, M.D. Family Medicine



Kin Wong, M.D. Family Medicine



Kai Zu, M.D.

Oncology

Not Pictured

Isaac Bakst, M.D., Neurology
Anthony Sanzone, M.D., Orthopedic Surgery

Press Ganey surveys received from January 1, 2019 through December 31, 2019. Physicians must have had 30 surveys or more to be included.

SCMG'S 30TH ANNIVERSARY CELEBRATION GALA

On September 7, 2019, SCMG

presidents – both current and

past – board members and staff

celebrated the medical group's

30th anniversary. Set against

the backdrop of the beautiful

Birch Aquarium in La Jolla,

guests mingled and enjoyed

watching the sea life in their

natural habitats.

As the sun set over panoramic ocean views, a celebratory toast was given to acknowledge everyone who has worked to make this achievement a reality and wish each other continued successes in the years to come.



Chris Howard, President and Chief Executive Officer Sharp HealthCare, Linda Howard, Megan Hoagland and Peter Hoagland, M.D.



SCMG Presidents: (L to R) Kenneth Roth, M.D. (2011 - present), Ben Hourani, M.D. (1994- 2002), Alan Schoengold, M.D. (2005-2011), and Paul Reeb, M.D. (1989-1994)



Paul Durr, Chief Executive Officer SCMG, John Bokosky, M.D., James Reopelle former Sharp HealthCare board member, and Elizabeth Rabbit former Chief Executive Officer (2000-2007)



Nasrin Arbabi, M.D., Gregory Roberts, Michelle Hamidi, M.D., Silvia Kleiner, Daniel Kleiner, D.P.M, Corinne Ancona-Young, D.O., and Thomas Young



Birch Aquarium docent, Mickey Hansen, Heywood Zeidman, M.D., and David Hansen, M.D.



Sharna Shachar, M.D. and Kevin Malone, M.D.



Board Members: (L to R) David Bodkin, M.D., Greg Czer, M.D., Kenneth Roth, M.D., Kevin Considine, D.O., Franklin Martin, M.D., and Sergio Flores, M.D.



Executive Team: (back L to R) Matt Richardson, Chief Financial Officer, Christopher McGlone, Chief Operating Officer, (front L to R) Lynne H. Milgram, M.D., Chief Medical Officer, Paul Durr, Chief Executive Officer, Vilma Maravilla, R.N., Vice President Clinical Operations and Health Services



Network Team: (L to R) Margie Brigham, Inland North Region, Cari Lundgren, Manager Network Management, Rachelle Hernandez, Director Network Management and Customer Service, Kim Rainey, Metro Region, Kathy Bassler, Chula Vista and Coronado Region, and Angelina Hancock, Grossmont Region

ENHANCING PATIENT CARE

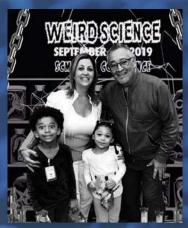
SCMG's 2019 CME Conference, September 27 - 29

Each year SCMG offers a weekend conference to help our primary care physicians, specialists, physician assistants, and nurse practitioners earn up to 10 CME credits for their continuing medical education as well as reconnect with one another and spend time with their families.

The 20th annual CME conference held at the Hyatt Regency Huntington Beach provided the perfect setting for attendees to hear from faculty speakers on educational topics from infection prevention and emergency medicine to medical myths and physician burnout. During "free time," adult guests were able to partake in the resort's amenities and enjoy a golf outing while children were invited to participate in the Weird Science themed "Kid's Club."



Christina Flores, Erica Flores, Carol Durr, and Sergio Flores, M.D.



Physicians and their families participated in the Kid's Club activities: (back L to R) Marcelle Khalil, Dennis Dominguez, M.D., (front L to R) Sean and Sophia Stephens, grandkids of Dr. Dominguez



Colleen Roth, Gregory Czer, M.D., Denise Czer, and Lynne Milgram, M.D., Chief Medical Officer



Kenneth Warm, M.D., Laura Petrovich, M.D., Helane Fronek, M.D., Physician Development Coach, U.C. San Diego



Lloyd Kuritsky, D.O. Medical Director, Population Health



Chris Lavertu, Gayle Howard, M.D., Leticia Polanco, M.D., and Joy Emmanuel-Cochrane, D.O.



Kid's Club Volunteers: (back L to R) Lacie Paige, Julie Sproul, R.N., Elizabeth Umana (front L to R) Jezelle Quade, Sally Gonzalez, and Janell Davis



Jessica Wang-Rodriguez and George Rodriguez, M.D.



June Lam, M.D., Ebtissam Korkis, M.D., and Ed Harpin, P.H.D.