THE JOURNEY TO VALUE-BASED CARE
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About Fulcrum

Our **mission** is to improve the quality of life of our communities by delivering high-value health care networks and support services. Our **vision** is to be the leader in high-quality physical medicine networks.

**OUR VALUES**

**Excellence:** We enable the highest level of care and service while maximizing outcomes, quality and cost-effectiveness.

**Stewardship:** We are responsible stewards of the resources we manage and make use of — with full transparency and collaboration.

**Integrity:** We are honest and responsible in conducting all aspects of our business. We adhere to the highest ethical standards and keep our promises.

**Innovation:** We are committed to sustained leadership in health care through innovation, creativity, continuous improvement, and lifelong learning.

THE TRIPLE AIM

Fulcrum Health’s innovative approach to physical medicine lowers costs, while achieving better outcomes, increasing patient satisfaction, and improving the work life of health care providers. We aim to align our mission, vision and values with the Triple Aim.
A message from leadership.

Patricia Dennis, CHIE
Chief Executive Officer

“2018 has brought a lot of positive changes to Fulcrum Health.”

As an industry leader in conservative care, we are rethinking, reimagining and redefining our networks to deliver on the Triple Aim. As a key partner to our clients, we bring expertise in network innovation, health plan differentiation, member satisfaction, and administrative excellence.

Our work in 2018 advances our Vision: To be the leader in high-quality physical medicine networks. We are positioned well as we move into 2019.

Thank you to Fulcrum’s provider networks, clients, Board of Directors, and employees for your continuous engagement and trust. Without you, our success today and tomorrow would not be possible.

We hit major milestones laying the foundation for our journey to value-based payment, including insourcing credentialing and utilization management.

With Board guidance, we made investments in the organization that allowed us to add new technology, establish our data warehouse, expand our networks, add new clients, increase the fee schedules and once again recognize our providers through our Provider Quality Bonus program.
I am excited to share an overview of Fulcrum’s achievements this past year, a year in which we made significant changes thanks to the support of network providers, clients, Fulcrum’s employees, and the Board of Directors. We supported our provider network by bringing credentialing and utilization management in-house to progress our journey toward a value-based, patient-centered model. This investment was a huge step in moving to an innovative payment model that will reward providers for the quality of their care.

None of these achievements came easily. We called upon our decades of cumulative health care experience to keep patients and providers at the center of our decisions. 2018 also marked the end of my term as Board Chair for Fulcrum Health. I thank you all for the opportunity to serve. With that comes the excitement of introducing our new 2019 Board Chair, Molly Magnani, DC. Her leadership, industry knowledge and guidance will keep us on the journey toward value-based care. Thank you for standing with us and making it all possible.

2019 promises to be another challenging but successful year as we usher in the first full year that Fulcrum’s credentialing and utilization management programs will be fully managed in-house. Significant training will take place throughout 2019 to support all network providers as Fulcrum’s utilization management program, called QConnect, is introduced. QConnect will support the collection of patient-specific data; an integral step in the journey towards a value-based payment model.

Fulcrum, with direction from the Board, will continue the commitment to a focus on team-based care and will support this approach to patient care through continued symposiums, AcuNet network expansion, and our CareConnections pilot. We will address competitive challenges in the marketplace and explore new initiatives to further this goal.

As I personally begin the journey as Board Chair, I am proud to support our community of providers with a shared goal of improving the health and wellness of patients.
We’re improving experiences and satisfaction for both patients and providers.

The feedback we gather from the annual satisfaction survey helps identify areas of interest and concern to the ChiroCare by Fulcrum Health network.

**PATIENT EXPERIENCE**

We have been awarded for our outstanding performance in patient satisfaction (for years 2015, 2017, and 2018). This award recognizes top-performing health care organizations that consistently score in the 95th percentile or above on measures of patient experience.

![Winner of the Press Ganey Guardian of Excellence Award](image)

**PROVIDER EXPERIENCE**

In the Fall of 2018, Fulcrum administered a provider satisfaction survey. The feedback helps us identify areas of interest and concern to the ChiroCare by Fulcrum Health network, like the insourcing of our credentialing process. Responses also help us develop new programs, supporting materials, and educational opportunities. An example of this is the implementation of our new utilization management program. This program incorporates quality and continues us on our journey to value-based payment. Our overall results have remained consistent over the years with 85% of the respondents ranking us as “good” or “better” than other managed care organizations. Providers give us top scores in communication, provider service, and professional development.
2018 SATISFACTION SURVEY RESULTS

Would definitely recommend the provider’s office to family and friends:

96% OUR RESPONDENTS
91% NATIONALLY

You saw the provider within 15 minutes of your appointment time:

98% OUR RESPONDENTS
94% NATIONALLY

You would rank your provider at either a 9 or 10 out of 10:

88% OUR RESPONDENTS
87% NATIONALLY

“We take great pride in knowing our providers continue to deliver care that makes the long-term health and well-being of patients a top priority.”

- Patricia Dennis, CHIE
We’re building bridges to quality and team-based care.

1. EDUCATION SYMPOSIUMS

We continued our support of building bridges with MD’s and DC’s to create team-based care integration by hosting three provider education symposiums in the Midwest last year that were open to all providers. CE Credits were available and at no cost to ChiroCare network providers. Additionally, we were a sponsor and participant at the Wisconsin State Chiropractors Association Convention last fall.

2. NEW PILOT PROGRAM

We introduced a pain management pilot to reduce opioids and improve functional outcomes on members using opioids for over 30 days. Our client partner identifies members and informs the primary care provider of the opportunity to introduce a conservative pain management program. Next, our Health Advocate connects the member to a ChiroCare Center of Excellence (CCoE) Doctor of Chiropractic and facilitates communication between the providers. This communication allows for primary care and chiropractor to share ideas regarding the best care plans, including reducing the opioid medication as appropriate.

3. PROVIDER QUALITY PROGRAM

As Fulcrum continues its journey to value-based payments for its network providers, we awarded $1.3M to eligible network practitioners as part of our Provider Quality Bonus Program. This program is designed to recognize providers who exhibit an approach that most closely aligns with ChiroCare’s best practices and Fulcrum’s Mission, Vision and Values. ChiroCare Centers of Excellence (CCoE) and high performing Category A providers were eligible to receive a quality bonus.
ONLINE LEARNING

In order to provide training to clinics that may have a desire to earn a CCoE designation, Fulcrum is in process of completing online education modules that will not only educate providers but offer continuing education credits as well. We provide quarterly report cards to show providers their utilization performance compared to the network. We offer various educational opportunities including webinars, symposiums, videos, and website materials. Our centralized training website provides training information and resources for quality outcome measures and treatment decision support.

MONTHLY NEWSLETTER

An essential provider education tool is Fulcrum’s monthly newsletter which features articles with:

- Compliance tips
- Best practices for patient satisfaction initiatives
- Pain management information
- Outcome assessments and treatment goal setting
- Acupuncture
- And more!

“We support our doctors with education opportunities to help them meet the demands of a value-based care marketplace.”

– Vivi-Ann Fischer, DC
Chief Clinical Officer
Consumer needs are driving change.

Demands for conservative care and team-based treatment options for pain management are driving network expansion.

In addition to ChiroCare, AcuNet by Fulcrum Health is a fully credentialed acupuncture network that is comprised of LAcs in the Midwest region. AcuNet utilizes best-practice approaches to provide professional education, improvement opportunities, and ongoing network support to its providers. Our AcuNet product is offered independently or in conjunction with ChiroCare.

Together, we have the power to do more. We do this by delivering high-quality, patient-centered, evidence-based and value-based care. We’re leading the way with our ChiroCare Centers of Excellence program that launched in January 2015. The clinics designated as ChiroCare Centers of Excellence demonstrate an approach to high-quality, patient-centered care. These clinics are reviewed annually for verification of the defined quality approach.

WHAT IS THE VALUE OF A CHIROCARE CENTERS OF EXCELLENCE (CCOE) DESIGNATION?

- Provides visibility as a Center of Excellence clinic on the Find a Doc tool located on ChiroCare.com.
- Positions your clinic to be recognized for increased Pay for Performance incentives.
- Recognition as a quality clinic, facilitating trust and referrals with other care practitioners and patients.
- Opens opportunities to participate in pilot projects demonstrating conservative care value.
“Thanks for getting this process completed. It was quick and easy.”

- A Twin Cities Metro Area Provider
We’re becoming even better, faster and stronger.

Fulcrum is now processing credentialing and recredentialing applications and performing utilization management in-house.

In-house credentialing was implemented to enhance service to network providers by maintaining a transparent credentialing process with clear instructions, timely processing, and prompt response to inquiries. Credentialing is an important and ongoing component of both our ChiroCare and AcuNet networks and providers have found value in the improvements we’ve adopted.

**QCONNECT**

The intent of the new utilization management program is to move to value-based payment — identify, differentiate, and pay providers for their quality of care as measured by patient outcomes. We offer guidance for appropriate and best practice utilization based on patient needs to create a platform that will support the quality of the network.

We’re excited about the new technology capabilities and enhancements that provide treatment decision support tools and best-practice guidelines that support the specific needs of the patient. With this program, patient reported outcomes (PROMs) will lead us in the future to differentiate and reward high performing providers while enhancing treatment decision support tools for all network providers.

**INDUSTRY LEADER**

This is the first step in paying for value where outcome reporting and quality care are financially rewarded. As the health care industry moves to pay for performance models, we see this as an opportunity to support providers demonstrating high-quality, patient-centered care with value-based payment.
National Level Professional Contributions

Fulcrum cultivates visibility to local providers through targeted advertising, both independent and in conjunction with state professional associations. This approach leverages Fulcrum’s reputation as a leading-edge organization in terms of quality care, network provider support, and advocacy at the national level.

**NATIONAL ASSOCIATION OF SPECIALTY HEALTH ORGANIZATIONS (NASHO)**

NASHO’s affiliation with the American Association of Payers, Administrators and Networks (AAPAN) further strengthens our positioning as a successful industry advocate on both the federal and state levels. Fulcrum’s CEO, Patricia Dennis and Dr. Vivi-Ann Fischer, joined the 2018 AAPAN Innovation Conference in January at New Orleans. Ms. Patricia Dennis serves on the NASHO Board and in addition to monthly teleconferences she attended the annual strategy planning meeting in Dallas that identifying initiatives for 2019.

**PHYSICAL MEDICINE MANAGEMENT ALLIANCE (PMMA)**

The PMMA urges the use and coverage of non-opioid treatments as first-line therapy for individuals to manage pain. Business leaders from care management companies specializing in physical medicine and wellness advocate for increased access, facilitating collaboration with specialty providers and enhancing patient choice to improve outcomes and the delivery of value-based physical medicine.

**AMERICAN CHIROPRACTIC ASSOCIATION (ACA)**

The ACA’s Opioid Advisory Board offered comment on PMMA’s Opioid Statement; and the ACA’s Research Advisory Board offered comments on PMMA’s Treatment of Musculoskeletal Disorders, initiating a nice collaboration promoting common messaging of conservative care first.
ACADEMY OF INTEGRATIVE PAIN MANAGEMENT

Improving access to Comprehensive Integrated Pain Management (CIPM) should be a priority for all, according to the more than five dozen organizations that participated in the 2nd annual in-person meeting of the Integrative Pain Care Policy Congress, hosted by the Academy of Integrative Pain Management, in partnership with the Integrative Health Policy Consortium and PAINS Project. Fulcrum Health’s Chief Clinical Officer, Vivi-Ann Fischer, DC, joined 76 leaders from more than 50 organizations in November at Boston.

Below: Dr. Vivi-Ann Fischer joins her colleagues at the Integrative Pain Care Policy Congress.

“Promoting CIPM is vital to solving the nation’s overlapping public health crises of chronic pain, opioid misuse and overdose, and mental health disorders.”
Operational Highlights

Let’s look at this year’s ChiroCare Network growth.

▲ 4.3%

▲ 5.3%

▲ 0.03%
KEY TAKEAWAYS

1. Number of providers and membership remained steady.

2. Focused on new business and AcuNet


Unique Providers

<table>
<thead>
<tr>
<th>Year</th>
<th>Unique Providers</th>
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<tr>
<td>2012</td>
<td>1,600</td>
</tr>
<tr>
<td>2013</td>
<td>1,650</td>
</tr>
<tr>
<td>2014</td>
<td>2,200</td>
</tr>
<tr>
<td>2015</td>
<td>2,300</td>
</tr>
<tr>
<td>2016</td>
<td>2,400</td>
</tr>
<tr>
<td>2017</td>
<td>2,400</td>
</tr>
<tr>
<td>2018</td>
<td>2,450</td>
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*Numbers are approximate.
Financial Overview

2018 marked a year of continued growth and expansion for Fulcrum Health as company revenues and serviced membership increased significantly year-over-year.

The company continued to invest in new technologies to further develop and refine its proprietary treatment decision support platform which will advance Fulcrum’s Mission to improve the quality of life of our communities by delivering high-value health care networks and support services. While such investments are significant, they are critical to ensure that the organization continues to innovate in ways that support its Mission, Vision and Values and enables the organization to expand within the marketplace.

Growing Revenue

Despite these investments, Fulcrum maintained its commitment to its provider network by returning nearly 80% of its revenue to the practitioner community via direct claims payment, continuing education opportunities and programs that acknowledge and reward high quality care.

$1.3 MILLION

Awarded to eligible network practitioners as part of our Provider Quality Bonus Program.

<table>
<thead>
<tr>
<th>Growing Revenue</th>
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<tr>
<td>20,710,702</td>
<td>2016</td>
</tr>
<tr>
<td>24,460,670</td>
<td>2017</td>
</tr>
<tr>
<td>26,462,343</td>
<td>2018</td>
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### BY THE NUMBERS

<table>
<thead>
<tr>
<th>Assets</th>
<th>2018</th>
<th>2017</th>
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<tr>
<td>Cash</td>
<td>1,829,160</td>
<td>2,623,177</td>
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<tr>
<td>Accounts Receivable</td>
<td>887,671</td>
<td>1,073,031</td>
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<td>Prepaid Expense</td>
<td>195,594</td>
<td>126,338</td>
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<td>Total Current Assets</td>
<td>2,912,425</td>
<td>3,822,546</td>
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<td>Fixed Assets (net)</td>
<td>132,218</td>
<td>66,262</td>
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<tr>
<td>Investments</td>
<td>4,985,704</td>
<td>5,968,858</td>
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<tr>
<td>Other Assets</td>
<td>1,222,769</td>
<td>526,911</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>9,253,116</strong></td>
<td><strong>10,384,577</strong></td>
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<tr>
<th>Liabilities and Net Assets</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
<td>278,091</td>
<td>300,672</td>
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<tr>
<td>Claims Payable</td>
<td>3,390,337</td>
<td>3,304,063</td>
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<tr>
<td>Other Liabilities</td>
<td>669,207</td>
<td>401,923</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>4,337,635</strong></td>
<td><strong>4,006,658</strong></td>
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<tr>
<td>Net Assets</td>
<td>4,915,481</td>
<td>6,377,919</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>9,253,116</strong></td>
<td><strong>10,384,577</strong></td>
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<table>
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<th>Revenue</th>
<th>2018</th>
<th>2017</th>
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<tr>
<td>Service Fees</td>
<td>26,354,891</td>
<td>24,270,990</td>
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<tr>
<td>Interest / Other Income</td>
<td>107,452</td>
<td>189,680</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>26,462,343</strong></td>
<td><strong>24,460,670</strong></td>
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<table>
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<tr>
<th>Expenses</th>
<th>2018</th>
<th>2017</th>
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<tbody>
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<td>Claims Expense</td>
<td>19,526,671</td>
<td>18,158,423</td>
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<tr>
<td>Education, Quality and Promotion</td>
<td>446,934</td>
<td>230,182</td>
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<tr>
<td>Operational Services</td>
<td>2,680,192</td>
<td>2,731,477</td>
</tr>
<tr>
<td>Administrative and Other</td>
<td>5,620,346</td>
<td>3,712,630</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(580,407)</td>
<td>48,965</td>
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<tr>
<td><strong>Total Direct Expense</strong></td>
<td><strong>27,693,736</strong></td>
<td><strong>24,881,677</strong></td>
</tr>
<tr>
<td>Net Income</td>
<td>(1,231,393)</td>
<td>(421,007)</td>
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Leadership Team

Our team is committed to a value-based payment model whose performance most closely aligns with ChiroCare’s best practices and Fulcrum’s mission, vision, and values.

Mark Dehen, DC
Chair of the Board

Molly Magnani, DC
Vice Chair of the Board

Mark Bortnem
Treasurer

Peter W. Vrieze, DC
Board Secretary

Leo Bronston, DC

Patricia Dennis, CHIE
(Non-voting member)

Anne Finch, PhD, MS
Scott Giltner
Allen Hager, DC
Zachary Kimble, DC
Rebecca McManus
David Ness
Paul Wernick, MD
Richard Zarbinski, DC

Vivi-Ann Fischer, DC
Chief Clinical Officer

Stephen De Wees, MBA
Chief Financial and Security Officer

Jim Bradley, PAHM®
Vice President Sales and Marketing

Shireen Stone, MA
Chief Operations Officer

Patricia Dennis, CHIE
Chief Executive Officer
CONTINUING OUR VALUE JOURNEY

As a not-for-profit company, we’re dedicated to improving the health of the communities by delivering high-value health care networks and support services.

This is accomplished by demonstrating the ability to deliver better outcomes with efficient use of services. Fulcrum will continue to support providers incorporating a team-based approach to delivering and coordinating care for the patient’s recovery. Consumer demands for conservative care and team-based treatment options for pain management are driving the network expansion. Our networks utilize best-practice approaches to provide professional education, improvement opportunities, and ongoing network support.

Fulcrum is continuously exploring innovative ways to compensate network providers in an ongoing effort to pay for quality outcomes. As a non-profit organization, Fulcrum can return a higher percentage of annual revenue to network providers in the form of patient claim payments, continuing education initiatives for providers, network promotion and provider quality initiatives.