Board of Directors

Molly Magnani, DC | CHAIR OF THE BOARD
Peter W. Vrieze, DC | VICE-CHAIR OF THE BOARD
Mark Bortnem | TREASURER
Rebecca McManus | SECRETARY

Leo Bronston, DC
Mark Dehen, DC
Patricia Dennis, CHIE (Non-voting member)
Anne Finch, PhD, MS
Scott Giltner
Allen Hager, DC
Zachary Kimble, DC
David Ness
Richard Zarmbinski, DC

As a nonprofit organization, we’re governed by our Bylaws and strategically led by our Board of Directors.
OUR MISSION
To improve the quality of life of our communities by delivering high value healthcare networks and support services.

OUR VISION
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.
Message from Leadership

Patricia Dennis, CHIE
CHIEF EXECUTIVE OFFICER

We understand that change occurs in a growing company and we welcome it! 2019 was full of firsts for Fulcrum Health moving us closer to achieving Fulcrum’s Mission — To improve the quality of life of our communities by delivering high value healthcare networks and support services, and Vision — To be the leader in high quality physical medicine networks.

Firsts include:

• Insourcing credentialing and utilization management. Fulcrum achieved NCQA accreditation affirming our credentialing and utilization management programs as high-quality and distinguishing the work that we do in the marketplace.
• As part of our journey of transforming our strategies to focus on outcomes rather than volume of service, we introduced capturing outcomes data in order to better advance our efforts in paying for value-based care.
• We are also excited about the addition of massage therapy to our family of networks.
• To support and elevate all providers, we introduced the Learning Hub housing additional resources, educational materials, streamlined administrative activities and telehealth information.

Looking ahead, let’s keep our heads clear, our confidence high, and our focus strong as we prepare for the next stage of growth of Fulcrum Health!

Molly Magnani, DC
CHAIR OF THE BOARD

As committed individuals within our healthcare community, our Board believes in the power of partnerships. This belief combined with Fulcrum’s vision has driven us to innovation of new products. In 2019, we introduced TruTouch, a massage therapy network. TruTouch is the latest addition to support the value of partnerships for a team-based care approach. Fulcrum continues to grow AcuNet, acupuncture network, and expand ChiroCare, chiropractic network, we hope to build deep partnerships between network providers to achieve great impact for patients.

We celebrate with ChiroCare network providers on achieving the Press Ganey award for a 4th year! This achievement recognizes the network’s high patient satisfaction and is given to top-performing healthcare organizations that consistently score in the 95th percentile or above on patient experience.

Upon entering my 2nd year of being Chair, I look forward to the innovative thinking that brings fresh ideas to mutually benefit both network providers and their patients.
2019 Highlights – Network Growth & Innovation

Fulcrum’s network of chiropractors

Significant market expansion in Wisconsin

Increasing geographic reach and recognizing quality network

Expansion of Centers of Excellence

Press Ganey Guardian of Excellence award in patient satisfaction 4-year achievement

A new network in 2019!
Fulcrum’s network of massage therapists

Benefit expansion

Product growth to achieve our vision

Team-based care to benefit patients

Fulcrum’s network of acupuncturists

Further enhancing our presence

Benefit design in support of acupuncture treatment

Development of acupuncture task force for enhancement of clinical practice
2019 Highlights – Provider Resources

QConnect
Treatment decision support tool, named QConnect
• Industry practice experience and claims-based treatment guidelines
• Online portal entry, real-time response for authorization of treatment
• Quality patient care and treatment outcomes

Learning Hub
• Centralized, online training center, providing the network with a “one-stop shop” for administrative, clinical training and reference materials
• Centers of Excellence education and resources
2019 Highlights - Accreditation

NCQA
(National Committee for Quality Assurance)

• NCQA conducted an extensive survey of Fulcrum's operations in 2019

• 100% review score for both Credentialing and Utilization Management

• Achievement of a three-year accreditation
2019 Highlights – Journey to Value Based Care

MN Symposium & Partners with Distinction Awards Celebration

Symposium:
• Quality Measures-Structure and Involvement of Quality Programs
• Payment Reform- Can changing how we pay for care bring value?
• Expanding Patient Solutions Through Team-Based Care

Partners with Distinction Awards:
• Innovations in Conservative Care
• Bridging the Gap of Team-Based Care
• Partner Recognitions

MN Symposium @US Bank Stadium
November 2019
## 2019 Financial Overview

### Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,085,538</td>
<td>$1,829,160</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>795,447</td>
<td>887,671</td>
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<tr>
<td>Prepaid Expense</td>
<td>328,435</td>
<td>195,594</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$2,209,420</strong></td>
<td><strong>$2,912,425</strong></td>
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<tr>
<td>Fixed Assets (net)</td>
<td>133,714</td>
<td>132,218</td>
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<tr>
<td>Investments</td>
<td>5,183,901</td>
<td>4,985,704</td>
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<tr>
<td>Other Assets</td>
<td>1,091,009</td>
<td>1,222,769</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$8,618,044</strong></td>
<td><strong>$9,253,116</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets:

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$194,276</td>
<td>$278,091</td>
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<tr>
<td>Claims Payable</td>
<td>2,059,789</td>
<td>3,390,337</td>
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<tr>
<td>Other Liabilities</td>
<td>760,172</td>
<td>669,207</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$3,014,237</strong></td>
<td><strong>$4,337,635</strong></td>
</tr>
<tr>
<td>Net Assets</td>
<td>5,603,807</td>
<td>4,915,481</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$8,618,044</strong></td>
<td><strong>$9,253,116</strong></td>
</tr>
</tbody>
</table>

### Income Statement

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Fees</td>
<td>$25,478,141</td>
<td>$26,354,891</td>
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<tr>
<td>Interest / Other Income</td>
<td>784,412</td>
<td>107,452</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$26,262,553</strong></td>
<td><strong>$26,462,343</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Expense</td>
<td>$18,155,295</td>
<td>$19,526,671</td>
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<tr>
<td>Education, Quality and Promotion</td>
<td>1,128,027</td>
<td>446,934</td>
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<tr>
<td>Operational Services</td>
<td>1,301,829</td>
<td>2,680,192</td>
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<tr>
<td>Administrative and Other</td>
<td>4,866,979</td>
<td>5,620,346</td>
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<tr>
<td>Income Taxes</td>
<td>122,097</td>
<td>(580,407)</td>
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<tr>
<td><strong>Total Direct Expense</strong></td>
<td><strong>$25,574,227</strong></td>
<td><strong>$27,693,736</strong></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>$688,326</strong></td>
<td><strong>(1,231,393)</strong></td>
</tr>
</tbody>
</table>

- Total revenue was effectively flat year-over-year however direct expense declined reflecting increased scale within our operations.
- Reduced claims and operating expense enabling us to continue to invest in quality and education programs, including a quality bonus payout for top performing providers.
- Fulcrum’s net income increased year-over-year reflecting increased scalability of operations arising from technology investments made in 2017 and 2018.
Emerging Trends

**Telehealth/Telemedicine** - rapidly growing demand in popularity assist members with musculoskeletal pain. Telehealth services have been developed in the marketplace to support this need.

**Fulcrum’s Approach**

Fulcrum has implemented and will continue to grow telemedicine services to ensure members have access to non-pharma pain management.

**Opioid epidemic refocus** – Opioid prescription numbers have been steadily increasing

**Fulcrum’s Approach**

Fulcrum offers conservative care network options for safe, non-pharma options for pain management and continued our Care Connections to support this population.

**Conservative Care first** - With new attention to improve health care through whole health, conservative care first options, like acupuncture and massage are receiving benefit expansions.

**Fulcrum’s Approach**

Fulcrum launched a massage therapy network, TruTouch, and grew the existing AcuNet network to expand non-pharma pain management options supporting a team approach to care. Exploring innovative benefit designs with our clients to support increased access.

**Health Care Navigation** - focuses on educating patients on the importance of conservative care. Advocate will schedule appointments and follow up to make sure the patient received appropriate treatment.

**Fulcrum’s Approach**

Increased patient support with the development of a Health Advocate program that connects patients with a conservative care provider.
QUESTIONS?