



ANNUAL MEETING

2020 Annual Report

July 13, 2021

Board of Directors

Molly Magnani, DC | CHAIR OF THE BOARD

Allen Hager, DC | VICE-CHAIR OF THE BOARD

Mark Bortnem | TREASURER

Rebecca McManus | SECRETARY

As a nonprofit organization, we're governed by our Bylaws and strategically led by our Board of Directors.

Leo Bronston, DC

Joseph Cunniff, DO

Mark Dehen, DC

Patricia Dennis, CHIE (Non-voting member)

Anne Finch, PhD, MS

Amanda Gebhardt-Fitzgerald, DC

David Ness

Elena Pekurovsky, DC, Dipl OM, LAc



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

2020 was quite the year! The COVID-19 pandemic presented all of us with new challenges. We were tested in ways like we have never experienced before. Although we were ready to say goodbye to 2020 for many reasons, Fulcrum has exciting achievements to celebrate! Here are just a few of the accomplishments that advanced us in delivering on our **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.

- NCQA accreditation
- Implementation of Fulcrum's Provider Portal
- Introduction of on-line CE Modules
- Onboarding a new client for not only chiropractic, but also acupuncture and Care Connections
- Board succession planning
- Expansion of current client agreements
- Advancement of our network and contracting strategies

2021 will be filled with a mixture of opportunities and challenges. With the Board's guidance, the team's expertise and commitment, and a solid partnership with network providers, we are ready to take on this new year!

Molly Magnani, DC

CHAIR OF THE BOARD

This year has been about extraordinary leadership and adaptability! Thank you to network providers for your outstanding work with your patients during this unpredictable time and being an example of leadership in your communities.

Fulcrum expanded the diversity of the Board to reflect the demographic of the membership served, and provide the talents needed to accomplish the strategic plan. We are pleased to welcome three new Board members in 2021.

Another highlight is Fulcrum's commitment to efficient data management and secure exchanges of data between Fulcrum, Clients, and vendors. This decision required an investment in technical infrastructure, software, and technical staff to plan and build new capabilities. As we know, we need to leverage the power of data to accelerate operational processes, inform decision making, and analyze performance in order to compete in a dynamic industry. You cannot improve what you do not measure.

The Board extends our thanks to CEO, Patricia Dennis, and her staff for all the work that has been done in the face of unexpected challenges. Finally, I would like to thank the Fulcrum Board of Directors for their vision and willingness to invest in Fulcrum Health which supports network providers in serving their communities. I look forward to many more successes!



ANNUAL MEETING

2020 Highlights– *Network Growth & Innovation*



Fulcrum's network of chiropractors

Growth in client product and geographic market expansion

Develop innovative ways which enhance and reward network quality performance

Enhancement of Centers of Excellence criteria

Multi-year patient satisfaction survey achievement for Press Ganey



Fulcrum's network of massage therapists

Network development to achieve broader access to care

Differentiator to support client strategic product development

Benefit of a treatment well received by senior population



Fulcrum's network of acupuncturists

New client contracted for acupuncture benefit administration

Significant growth across five-state region

Launch of AcuNet Provider Advisory Council to support clinical practice advancement



2020 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



2020 Highlights- *Impacts of Covid-19*

Front-line Providers

- Department of Homeland Security identifies chiropractors as Essential Service Providers on 3/28/20
- Streamlined way of informing patients on reduced hours and/or clinic closures through Provider Portal

Telehealth Services

- Rapid deployment to serve patients unable to receive in office care
- Telehealth Webinar with instructions
- Online exercise tools
- Marketing telehealth templates and posters

Provider Education

- CDC & CDH recommendations for infection control & safe patient flow in clinics
- Launch Education Modules for Centers of Excellence Program
- Business resources availability through newsflash



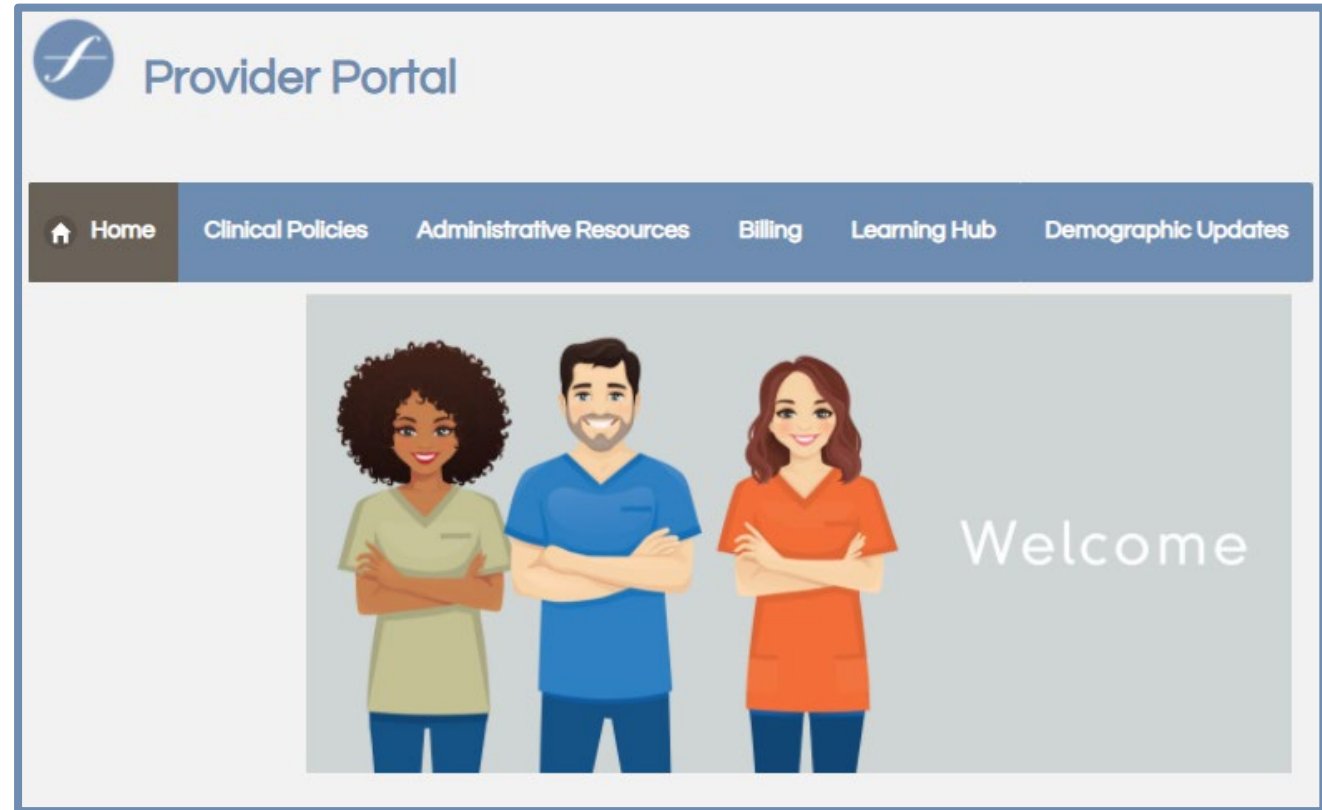
Fulcrum committed to assisting providers during unprecedented times.



2020 Highlights – *Provider Resources*

Fulcrum's Provider Portal

- Introduced November 2020
- a one-stop shop that streamlines work, keeps providers up-to-date, and delivers critical resources



ChiroCare Centers of Excellence Educational Courses



- Purpose is to educate providers about Centers of Excellence best practices while receiving continuing education credits
- These courses were developed in partnership with Southern California University and are presented through National University of Health Sciences
- Accessed through Fulcrum's Provider Portal



2020 Highlights- *Promotion of the Industry*

- **Minneapolis/St. Paul Business Journal articles**

- ✓ Fulcrum's pain solutions presented in four educational articles

The logo for the Minneapolis/St. Paul Business Journal, featuring the text "MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL" in white, bold, uppercase letters on a dark red rectangular background.

- **Publication**

- ✓ Published paper *Cost comparison of two approaches to chiropractic care for patients with acute and sub-acute low Back pain care episodes: a cohort study* in Chiropractic and Manual Therapies which demonstrates cost savings with the Fulcrum Centers of Excellence patient-centered approach



- **ChiroCare Centers of Excellence marketing press kit**

- ✓ Provided marketing press kits to showcase Center of Excellence designation



ANNUAL MEETING

2020 Financial Overview

2020 Financial Overview

Assets	2020	2019
Cash	\$ 3,116,035	\$ 1,085,538
Accounts Receivable	686,217	795,447
Interest Receivable	15,109	18,990
Prepaid Expense	347,791	309,445
Total Current Assets	\$ 4,165,152	\$ 2,209,420
Fixed Assets (net)	110,090	133,714
Investments	5,634,624	5,183,901
Other Assets	1,108,421	1,091,009
Total Assets	\$ 11,018,287	\$ 8,618,044

Liabilities and Net Assets:	2020	2019
Accounts Payable	\$ 83,495	\$ 194,276
Claims Payable	2,398,017	2,059,789
Other Liabilities	2,413,676	760,172
Total Liabilities	\$ 4,895,188	\$ 3,014,237
Retained Earnings	6,123,099	5,603,807
Total Liabilities and Net Assets	\$ 11,018,287	\$ 8,618,044

Revenue	2020	2019
Service Revenue	32,385,766	25,478,141
Interest / Other Income	459,027	784,412
Total Revenue	32,844,793	26,262,553

Expenses	2020	2019
Claims Expense	24,401,502	18,155,295
Education, Quality and Promotion	837,425	1,128,027
Operational Services	1,455,248	1,301,829
Administrative and Other	5,640,211	4,866,979
Income Taxes	(8,885)	122,097
Total Direct Expense	32,325,501	25,574,227
Net Income	519,292	688,326

2020 was a challenging year for Fulcrum as it was for its provider network. Covid-19 inserted an additional degree of operational complexity for the organization which tempered financial performance.

- Revenue growth reflects expanded client service area as well as increased capitated health plan membership.
 - ✓ Absent the service area expansion, Fulcrum's core business was down 10% from 2019 due to Covid related service disruptions.
- Increased claims expense outpaced revenue growth compressing gross margin.
- Non claims related expenditure as a percentage of revenue declined year-over-year reflecting operational scale resulting from technology investments.
- Fulcrum's Balance Sheet increased from 2019 reflecting increased cash holdings as well strong performance from its investment portfolio. Increased asset balances were offset by growth in liabilities related to member claims and general company operations.



Emerging Trends

Opportunities

Navigation - focuses on supporting patient needs and guiding to a CCoE conservative care provider



Care Connections provides a concierge member experience to find a CCoE that meets needs and preferences through our navigator.

Conservative Care first – improving patient health and well-being by leveraging conservative care



Expanding plan offerings to encourage conservative care including chiropractic, acupuncture, and massage therapy

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



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



QUESTIONS?
