



HealthExcel- A California Healthcare CO-OP

XiMED Foundation has sponsored a new Not-for-Profit Healthcare CO-OP whose main goal is to provide services as a managed healthcare insurance company. The new company, named HealthExcel, was created under the new Affordable Care Act (ACA) that was signed into law in 2010. The ACA created the CO-OPs (Consumer Oriented and Operated Plans) as a vehicle to provide health care insurance, both on and off the Health Care Exchanges and for individuals and small business groups not able to afford the ever increasing rise in insurance premiums. CO-OPs are designed to operate and function just like the managed care plans of today. Operationally there would be no difference. Everything from underwriting premium rates, to enrolling members, to paying physician claims and providing community outreach efforts, would be provided by the CO-OP. HealthExcel navigated its way through a difficult review process and was awaiting award and funding notification from CMS in early 2013. Unfortunately, due to Fiscal Cliff negotiations, all pending Federally funded CO-OP applications were canceled and the money (\$2 billion) was redistributed to other governmental programs. HealthExcel today continues to pursue various private and public funding opportunities, as well as potential reallocation of funds through the CMS.



XiMED IPA

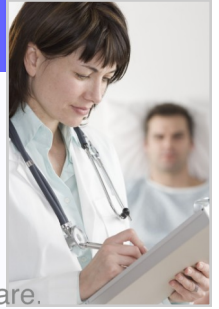
XiMED IPA officially began operations on January 1, 2013, with 124 physician members. The IPA will initially focus on Medicare Risk Advantage plans to gain experience in managing a risk model. Commercial risk plans will also be contracted with at some point in the future. XiMED is collaborating with Mercy Physicians Medical Group (MPMG) to take advantage of their expertise and experience in the Medicare at-risk business and their relationship with the NAMM MSO. XiMED IPA is currently functioning as a component part of MPMG's current contract with Medicare Advantage plans. The multi-specialty IPA is contracted with the following health plans: Aetna, Anthem, Health Net, Human and SCAN.

Once the IPA gains a sufficient amount of experience as a risk bearing entity it will be able to function as an independent clinically integrated model of care using established clinical protocols that reflect local practice patterns and experience. Areas covered will include Credentialing, Peer Review, Disease Registries, Preventive Care, EMR, and Medical Home Care. As membership grows, the potential exists to create a cloud based MSO, with experience in Financial Risk Modeling, that integrates Practice Fusion (EMR) and Ingenious Med (Electronic Charge Capture).

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IPA Alignment in San Diego



XiMED strongly believes in the power and success of collaboration. As health care delivery goes through a never ending series of changes, the power of working with like-minded organizations becomes a critical step forward. To that end, XiMED has been working with other local Scripps affiliated IPAs, including Connect-the-Docs, Mercy Physician Medical Group and Physician Partners, to seek ways of becoming more collaborative. We have recently engaged in a series of meetings to align resources and structures, with the ultimate goal of creating an organization that speaks with one voice. Bringing together the experience and skills from each established entity will benefit all independent physicians through strength of size and utilization of shared resources. Much work will have to be done, but each of the organizations is committed to this process.

Medical Malpractice

The XiMED/TDC Medical Malpractice Program is entering its fourth year with 198 FTEs and all deductible reserves in place. 2010 was a successful first start for the program with more physicians joining than anticipated, and 2011-12 have proved to be very successful with continually increasing membership. Due to the increasing program enrollment we have been able to increase cash reserves earlier than anticipated which will allow additional premium reductions in the future. The discounts range from \$1500-\$4500 for participating physicians. We are accepting applications all the time.



XiMED PEO

XiMED PEO is currently engaged in negotiations with Anthem Blue Cross as the insurance provider. The enrollment date is still targeted for the Fall of 2013, but could be delayed due to the implementation of ACA. New regulations issued by the Department of Insurance under the ACA has caused many of the commercial payers to reconstruct plan offerings relating to the administration of PEOs, Associations, and Trust Programs. These regulations have impacted the timing of the PEO offering. Anthem is committed to this relationship and we are in constant communication as we work through the new regulations. We will continue to update you as new information becomes available.