

Client Screening Request

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- Client Screening Report

Request Date: 11/5/2017 Additional CC:
 Discipline *: Health Company Name: BJC HealthCare

Moody's Rating: Aa2 (affirmed for BJC HealthCare on June, 2

Requestor: Jill Herbold; D & B Credit Score Class: 12 (for BJC HealthCare: moderate to high risk c

A.M. Best Rating: Not Rated

On High Risk Client List? ☐ Yes ☒ No

D & B Financial Stress Class: 84 (for BJC HealthCare: low to moderate risk of f WorldCheck Rating:
☒ N/A
☐ Criminal
☐ Money Laundering
☐ Terrorism
☐ Corruption
☐

Ownership:

Created in 1993 and headquartered in St. Louis, Missouri, BJC HealthCare (BJC) is a non-profit health care organization that includes two nationally recognized academic hospitals, both of which are affiliated with the Washington University School of Medicine. BJC was formed when Barnes-Jewish Inc. merged with Christian Health Services in order to create a system consisting of a large urban teaching facility and a network of suburban community hospitals. In January, 2012 BJC was selected to be an Accountable Care Organization (ACO). ACO's started in 2012 when the Centers for Medicare & Medicaid Services finalized new rules under the Affordable Care Act to help doctors, hospitals and other health care providers better coordinate care for Medicare and Medicaid patients. ACO's such as BJC ACO, which was the first ACO in St. Louis, create incentives for health care providers to work together to treat patients across care settings such as doctor's offices, hospitals, and long-term care facilities.

Records indicate that BJC ACO filed with the Missouri Secretary of State in November, 2012.

Officers:

The officers named below were profiled using Google and Factiva sources, and were screened for criminal activity using LexisNexis State and Federal Court Dockets. I found no adverse media attention or litigation of concern for any of these named officers.

- **Group President of BJC & BJC ACO President:** Sandra Van Trease: Ms. Trease has been President of BJC ACO since January, 2012. Her *LinkedIn* profile is available here: <https://www.linkedin.com/in/sandra-van-trease-3a73a8a7/>.
- **BJC ACO Medical Director:** Nathan Moore, MD: Dr. Moore is a board certified internist. His *LinkedIn* profile is available here: <https://www.linkedin.com/in/nathan-moore-6985a666/>.
- **Program Manager, ACO Operations:** Karen Shakiba: Ms. Shakiba has occupied this position since February, 2016. Her *LinkedIn* profile is available here: <https://www.linkedin.com/in/karen-shakiba-pmp-7043a841/>.

Prior Health Risk Assessment: ☐ Yes ☐ No

Noteworthy News:

A scan of local and national newspapers, news wires, trade journals, transcripts, and Internet search engines finds a considerable amount of press coverage for BJC ACO, but the available coverage was for the most part neutral in tone, and none was particularly adverse. I focused my scan on BJC ACO rather than on BJC HealthCare, and I have included below a few samples of available press coverage for your interest and to help clarify just how an ACO operates. I also included a March, 2017 article pertinent to the financial health of BJC HealthCare.

- September, 2017:** The BJC HealthCare Accountable Care Organization (ACO) had important successes in its first four years. It achieved a quality score of 97.66 percent from Medicare's 33 ACO quality measures and saved Medicare \$3.5 million. The BJC ACO has the lowest per-beneficiary cost in the St. Louis area. Greatest successes include: complex care management and readmission avoidance programs involving private providers in addition to BJC Medical Group quality improvement and reduction in cost. What is BJC Accountable Care Organization? Dr. Nathan Moore On July 1, 2012, BJC became the first health care provider in the St. Louis area to take on the challenge of forming an accountable care organization to take better care of seniors. "Our ACO is focused on providing exceptional and high-value health care to our patients," says Nathan Moore, MD, ACO medical director. (Source: *BJC Today online, September 05, 2017. Article is here:* <http://www.bjctodayonline.org/Home/ArticleSearch/TabId/135/ArtMid/560/ArticleID/4027/BJC-Accountable-Care-Organization-five-years-later.aspx>).
- May, 2017:** Thanks to a new ruling, physicians who participate in the BJC Accountable Care Organization (ACO) are now able to directly admit their ACO Medicare patients into an approved skilled nursing facility to continue their recovery. Normally, Medicare patients are required to have a three-day inpatient hospital stay prior to transferring to a skilled nursing facility for therapy services. The ruling that began in 2017 allows ACO physicians to admit ACO patients to an approved skilled nursing facility from the patient's home, the physician's office, from an emergency room or from the hospital, even when they don't have a three-day inpatient stay. (Source: *BJC Topday online, May 01, 2017. Full article here:* <http://www.bjctodayonline.org/Home/HeadlineNews/NewsArticle/TabId/130/ArtMid/531/ArticleID/3581/New-ruling-allows-BJC-ACO-to-directly-admit-patients-to-a-skilled-nursing-facility.aspx>).
- March, 2017:** Higher patient volume boosted BJC HealthCare's revenue last year, but the St. Louis-based system ended 2016 with lower operating income than the year prior. BJC recorded revenues of \$4.8 billion in 2016, up 11.8 percent from revenues of \$4.3 billion in 2015, according to recently released bondholder documents. The increase was largely attributable to higher net patient service revenue. BJC said admissions, outpatient visits and surgeries each increased in 2016 compared to the year prior. Despite the year-over-year revenue growth, BJC saw its operating income decrease in 2016 after factoring in expenses. The system's expenses totaled \$4.6 billion last year, up 13.8 percent from \$4 billion in 2015. BJC's operating income fell to \$141.8 million in 2016, a 30 percent decrease from \$202.3 million in 2015. Due to nonoperating gains, BJC ended 2016 with net income of \$387.1 million, up from \$93.6 million in 2015. (Partial text from an article published March 2, 2017 at the following website: <http://www.beckershospitalreview.com/finance/bjc-healthcare-s-operating-income-tumbles-30-in-2016.html>)
- October, 2014:** BJC HealthCare (BJC), one of the largest nonprofit health care organizations in the U.S., has implemented the Jiva population health management solution from ZeOmega Inc. to enhance care coordination, improve patient engagement, and increase the quality of care for 40,000 patients in the BJC Accountable Care Organization (ACO). BJC, which includes 12 hospitals and multiple community health locations, serves the greater St. Louis, southern Illinois and mid-Missouri regions. BJC sought a solution to help generate measurable and sustainable improvements in care quality, cost-effectiveness and patient satisfaction. Jiva will help the BJC ACO better manage care transitions, proactively identify and engage patients most in need of interventions, and integrate disease management components — including care analytics, care plans and configurable assessments. (Source: *Health IT Outcomes, October 28, 2014. Full article here:* <https://www.healthitoutcomes.com/doc/bjc-healthcare-begins-managing-health-management-solution-0001>).

Litigation History:

Screening for involvement in illegal activity via news sources, Internet search engines, and LexisNexis federal and state court databases and dockets uncovered no litigation history for BJC ACO, and only a handful of cases for BJC HealthCare. Of these cases, I scanned several and found no issues of concern, and no evidence that BJC is litigious or susceptible to litigation, and no evidence that they have ever been in a dispute resolution with an actual or other professional advisor.

Comments:


Please note that BJC HealthCare was previously screened by Dave Roumonada for Natanja Hensley on March 10, 2017. In this previous screen there is no reference to BJC ACO.

At the management level, BJC ACO screens acceptably as I uncovered no adverse media attention or litigation history for any of the named officials. At the entity level, there was a healthy media footprint, but none of the coverage I scanned was worrisome or concerning, and I found nothing that would bring into question the entity's suitability as a client. I found no litigation involving BJC ACO at all, and I found only a small number of legal disputes involving BJC HealthCare, but here again I found no litigation of concern.

I located a Moody's rating for BJC HealthCare, but none specific to BJC ACO. The attached D&B financial report is for BJC Health System, Tradestyle BJC HealthCare (BJC), located at 4901 Forest Park Avenue, St. Louis, MO 63108, the headquarters for this entity. I found no financial report specific to BJC ACO. The attached report makes no reference to BJC as an ACO. In this report D&B's analysts offer a rather poor ratings picture of BJC, giving the entity a Delinquency score of 12, which indicates a moderate to high risk of making late payments to suppliers. This score remains unchanged since the previous March, 2017 screen. D&B then gives a Delinquency score (Financial Stress score) of 84, which indicates a low to moderate risk of financial distress in the near term. This score also has remained unchanged since the last screen. There were 246 Trade Experiences with which D&B determined that BJC pays its suppliers within terms 73% of the time, then requires generally 19 days beyond terms to pay their past due accounts. Notable is the presence of "2" Liens, "39" open suits, and "83" UCC Filings. Notable also is their Largest High Credit of \$4,000,000 with evidence of a Past Due Amount of \$750,000.

To conclude Jill, to the extent of my research I found no material evidence to suggest that continuing a business relationship with BJC would pose an undue risk to Milliman. The entity does exhibit some payment behavior concerns that have remained unchanged since the previous screen, and I would therefore suggest that, if you do decide to retain them as a client, you should consider asking for a retainer. I hope this information helps you in making your determination. If you should require more research into BJC or BJC ACO, please let me know and I will be happy to help.

Dan Ritchie c-dan.ritchie@milliman.com.

 Click here to attach a file

 Add attachment

- Screening Details

Screener*:



Completed Date:

Report Status:

- ☐ New ☐ Pending ☐ Secondary-Review
☐ Secondary-Screen ☒ Sent/Complete
☐ Cancel

Due Date:

Health Risk Assessment
Form Returned:

- ☐ Yes ☐ No

Client Risk Assessment
Statement:

- ☐ Conditional Acceptance
☐ Non-Acceptance
☐ Standard Acceptance

 Data from Consultant

Date *:

Client *:

Discipline(s)
Involved *:

- ☐ Casualty
☐ Employee Benefits
☒ Health
☐ Life

Client Status *:

- ☒ New Client ☐ Existing Client
☐ RMAP Referral

Client Website URL (if
known):

Casualty consultants: please indicate if this is an 'existing client'
being screened to comply with discipline periodic screening
requirements.

Type of Client *:

- ☐ Public sector/government
☐ Publicly traded company
☒ Private company
☐ New Entity (less than 1 year old)
☐ Captive Insurance Company

For international screens, please select 'INTL'

State *:

Client Location *:

- ☒ US ☐ International

HQ Address:

BJC Accountable Care Organization
670 Mason Ridge Center Drive | Suite 300
St. Louis, Missouri 63141

Consultant *:

Do you know of any litigation or other issues of
which we should be made aware *:

- ☐ Yes ☒ No

Names/Titles of Officers (if known):

Additional Comments to Aid the Screening:

☒ Add Attachment

* -indicates required field