

**HEALTH DISCIPLINE
PROSPECTIVE NEW CLIENT RISK ASSESSMENT FORM – Page 1**

Prospective Client Name: Accountable Care Options LLC

Lead Consultant: Art Wilmes

Principal: Art Wilmes

Type of Client Entity

Governmental/public (Type: <u>Public</u>)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Core business is risk-taking (Type: _____)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Stock company or other for-profit:		
Publicly traded (Stock exchange listing: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Subsidiary (Parent: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Other (Description: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Non-profit or other (Type: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Screening and Risk Assessment Questions

- (a) Is there evidence of a questionable background or history associated with either the owners (for stock companies, other than publicly traded corporations) or the management/trustees? This includes criminal or other questionable backgrounds, association with prior bankruptcies, history of being sued in connection with business / financial practices, or lack of experience or competence in the field. ☐ NA⁽¹⁾ ☒ No ☐ Other
- (b) Financial stability and capitalization: ☐ NA⁽²⁾ ☒ No ☐ Other
- Existing entity: Has the company been financially unstable, does it currently operate with inadequate capital/surplus, or can it otherwise be reasonably expected to face a precarious financial position?
 - Start-up: Is the company inadequately capitalized or can it otherwise be reasonably expected to face a precarious financial position?
- (c) Is the entity currently, or has it been within the past five years, under court or regulatory oversight? ☐ NA⁽²⁾ ☒ No ☐ Other
- (d) If the work involves an actuarial statement of opinion for a regulatory filing, did the previous actuary depart either voluntarily or involuntarily? ☒ NA⁽³⁾ ☐ No ☐ Other
- (e) Is there a history of suing professionals or evidence of litigiousness, based on the information obtained through client screening or conflict checking? ☒ No ☐ Other

- (1) Mark "NA" only if the prospective client is a governmental / public entity.
(2) Mark "NA" only if the core business of the prospective client is *not* risk-taking.
(3) Mark "NA" only if work does not involve an actuarial statement of opinion for a regulatory filing.

FORWARD COPY OF SIGNED FORM TO CORPORATE LEGAL STAFF

(include copy of terms and conditions, if a "Conditioned Acceptance")

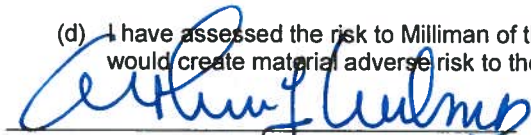
HEALTH DISCIPLINE
PROSPECTIVE NEW CLIENT RISK ASSESSMENT FORM – Page 2

Prospective Client Name: **Accountable Care Options LLC**

Client Risk Assessment Statement

1. **Standard Acceptance** – I have undertaken a risk assessment of this prospective new client, and affirm that:

- (a) Client screening has been completed by Milliman corporate staff, no material adverse findings are present, and the screening results are documented in the files;
- (b) Answers to Screening and Risk Assessment Questions (a) – (e) on Page 1 are all "NA" or "No";
- (c) Sufficient information to make this risk assessment has been assembled and is documented in the files; and
- (d) I have assessed the risk to Milliman of this prospective client, and I am not aware of any factors that would create material adverse risk to the Firm.



Principal

2/7/2018

Date

2. **Non-Acceptance** – I have undertaken a risk assessment of this prospective new client, and based on those results have declined or chosen not to pursue an engagement.

Principal

Date

3. **Conditioned Acceptance** – I have undertaken a risk assessment of this prospective new client, and affirm that:

- (a) Client screening has been completed by Milliman corporate staff, the screening results have been provided to the Health Practice Director, and they are documented in the files;
- (b) A comprehensive written explanation addressing each of the Screening and Risk Assessment Questions (a) – (e) for which the answer is "Other" has been provided to the Health Practice Director and is documented in the files;
- (c) Sufficient information to make this risk assessment has been assembled, such material has been provided to the Health Practice Director, and it is documented in the files;
- (d) The prospective client is willing to accept all standard provisions of Milliman's CSA (or alternative wording and provisions acceptable to the Health Practice Director and either the Chief Risk Officer or the ERC or Board, whichever is appropriate, under the circumstances of a "qualified acceptance");
- (e) I have assessed the risk to Milliman of this prospective client, recognize that certain adverse risk factors are or may be present, and believe that they can be adequately managed; and
- (f) I have received written permission from the Health Practice Director to accept the client, with accompanying terms and conditions for undertaking any engagement (copy to be attached).

Principal

Date

Susan OConnor

From: Art Wilmes
Sent: Thursday, January 28, 2016 7:13 PM
To: Susan OConnor
Subject: FW: ACCOUNTABLE CARE OPTIONS LLC SCREEN RESULTS
Attachments: Accountable Care Options, LLC 01.28.2016.pdf

Art Wilmes, FSA, MAAA | Principal and Consulting Actuary | art.wilmes@milliman.com
Milliman | Chase Tower/Circle | 111 Monument Circle, Suite 601 | Indianapolis, IN 46204-5128 | USA
Tel +1 317 524 3521 | Fax +1 317 639 1001 | milliman.com



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From: sharepoint@milliman.com [mailto:sharepoint@milliman.com]
Sent: Thursday, January 28, 2016 6:51 PM
To: Art Wilmes <art.wilmes@milliman.com>
Cc: Lorraine Mayne <lorraine.mayne@milliman.com>; Brandy Wilson <brandy.wilson@milliman.com>; Beau Preston <Beau.Preston@milliman.com>
Subject: ACCOUNTABLE CARE OPTIONS LLC SCREEN RESULTS

This is to inform you that your client screening request has been completed by Beau Preston

Accountable Care Options LLC

Request Date:	01-28-2016
Requestor:	Art Wilmes
Discipline:	Health
Company Name:	Accountable Care Options, LLC ("ACO")
On High Risk Client List? :	No
A.M. Best Rating :	None
Moody's Rating :	None
D&B Credit Score Class :	4 (Moderate to high risk of severe payment delinquency over the next 12 months)
D&B Financial Stress Class :	4 (Moderate to high risk of severe financial stress, including business failure, over the next 12 months)
WorldCheck Rating :	N/A;
Ownership :	

Accountable Care Options, LLC ("ACO") is a privately owned and managed network of South Florida primary care practices providing coordinated care as part of the Medicare Shared Savings Program. The Accountable Care Organization takes all financial risk in the program, while member physicians receive their normal Medicare payments. The company is located in Boynton Beach, Florida. ACO registered with the Florida Secretary of State in February 2012. According to the ACO Dun & Bradstreet report, all of the company's capital stock is owned by Dr. Francisco Perez-Mesa.

Officers :

I profiled this individuals listed below using Google and Factiva sources, and screened for involvement in criminal and civil litigation using LexisNexis databases and dockets. Insofar as I can tell, none of the men have been accused of professional malfeasance or willful misconduct, or been involved in any concerning criminal activity. Note that my results with respect to criminal activity for Dr. Perez-Mesa are less conclusive due to the commonness of his name. Additionally, I locate a Chapter 7 Bankruptcy proceeding from 1995 in California involving a Francisco Perez-Mesa. It's unclear whether or not this is the same individual that is the Director of ACO. It appears that Dr. Perez-Mesa has been a Florida doctor since the 1990s, but my results are still inconclusive.

- **Director:** Ivan Lavernia, MD
- **CEO & Director:** Richard J. Lucibella, MHS, MBA
- **Director:** Francisco Perez-Mesa, MD

Some professional background information for the ACO principals is provided on the company website: <http://www.aco-fl.com/about-us>.

Prior Health Risk Assessment :

N/A

Noteworthy News :

A scan of local and national newspapers, news wires, trade journals, transcripts, and Internet search engines indicates that ACO has appeared in the press a moderate amount since its creation four years ago. Most often, ACO is being recognized for saving money. The ACO website hosts the following news page, which contains one press release: <http://www.aco-fl.com/news>.

- **November 2015:** Palm Beach County doctors continue to rank as high as No. 2 nationally in money saved for taxpayers while scoring well on Medicare quality measures in a program some see as the future direction of medicine, records show. ACO saved almost \$10 million and got a check for \$4.4 million. Accountable Care Organization officials figured they ranked No. 2 in the state for savings per patient. The group served about 6,683 patients last year, according to federal records. The organizations have ranked highly in a program that aims to give doctors financial rewards for keeping taxpayer costs down, while scoring well on a series of quality and patient satisfaction measures reviewed by the government. ACO will take a different track of the program in 2016, meaning it could keep more of the savings (up to 75%) but it also risks having to pay the government if patients' outcomes don't go as hoped. (*The Palm Beach Post*, Charles Elmore, November 21, 2015)
- **October 2014:** ACO and its network of primary care physicians were rewarded for reducing costs while achieving a 100% Quality Score during their first year in the Medicare Shared Savings Program (July 1, 2012 to Dec. 31, 2013). ACO is the only primary care exclusive, primary care controlled Accountable Care Organization in South Florida. The company and its physicians achieved a Shared Savings of more than \$12.7 million for Medicare in the innovative program. The lower costs resulted from focusing on wellness and prevention, and doing a better job of managing individuals with chronic conditions. For their efforts, ACO and its physician network earned a Shared Savings bonus of \$6.25 million from the Centers for Medicare & Medicaid Services (CMS). This represents an average

of \$225,000 per practice. (*Market Wired*, October 15, 2014, <http://www.marketwired.com/press-release/accountable-care-options-llc-achieves-127-million-medicare-shared-savings-100-quality-1957855.htm>)

Litigation History :

Screening for litigation through LexisNexis' state and federal cases databases, websites, and Internet search resources reveals that ACO is not litigious, nor is it the subject of litigation. I do not locate any instances in which our potential client has been involved in any litigation whatsoever.

Comments :

Overall, I do not locate any red flags associated with ACO, but my results are not conclusive due to the lack of reliable financial information. In terms of financials, the ACO Dun & Bradstreet ratings are poor, indicating a moderately high risk of late vendor payments and a moderately high risk of financial distress in the near term. That said, these ratings are supported by only one payment experience, which is not enough to provide an accurate representation of the company's financial condition. As such, I would advise seeking a retainer should you decide to pursue a business relationship with ACO.

Please let me know if I can be of further assistance. I am happy to help!

Beau

beau.preston@milliman.com

NOTE: Please do not reply to this automated notice.

ACCOUNTABLE CARE OPTIONS, LLC

D-U-N-S® 05-303-2705

Single
2240 W Woolbright Rd Ste
317,
Boynton Beach, FL 33426

Phone 561 200-0325

Comprehensive ReportPurchase Date: 01/28/2016
Last Update Date: 12/19/2015
Attention: Legal**Executive Summary****Company Info**

Year Started	2012	CEO	FRANCISCO PEREZ MESA, PRIN-MBR
Control Year	2012	Employees	11

*** Update available on request ***

This information is being provided to you immediately in the interest of speed. This report may not reflect the current status of this business. D&B can investigate this business and update the information based on the results of that investigation.

By ordering a standard investigation the same day you order this report, an updated report will be provided to you at no extra cost.

D&B Rating

D&B Rating

DS**Predictive Analytics****Financial Stress Class**

The Financial Stress Class of 4 for this company shows that firms with this class had a failure rate of 0.84% (84 per 10,000).

Financial Stress Class	4
Financial Stress Score	1,438
Highest Risk	1,001
Lowest Risk	1,875

Credit Score Class

The Credit Score class of 4 for this company shows that 9.40% of firms with this classification paid one or more bills severely delinquent.

Credit Score Class	4
Credit Score	473
Highest Risk	101
Lowest Risk	670

Credit Limit Recommendation**Risk Category**

Conservative Credit Limit	\$2,500
Aggressive Credit Limit	\$15,000

D&B Viability Rating

D&B Viability Rating

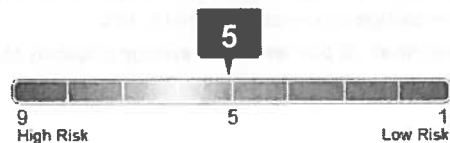
5 3 E P

Conservative Credit Limit \$2,500

Aggressive Credit Limit \$15,000

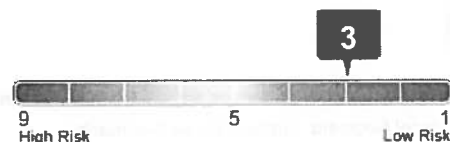
Viability Score

5



Portfolio Comparison

3



Data Depth Indicator

E



Company Profile

P

Financial Data	Trade Payments	Company Size	Years in Business
Not Available	Available (1-2 Trade)	Medium	Young

Business Information

Business Summary

SIC 8742
Management consulting services

NAICS 541611
Administrative Management and General Management Consulting Services

Credit Capacity Summary

D&B Rating

DS

Payment Activity (based on 1 experiences)	USD
Highest Credit	\$50
Total Highest Credit	50

D&B Viability Rating

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will no longer be in business within the next 12 months.

5

Viability Score

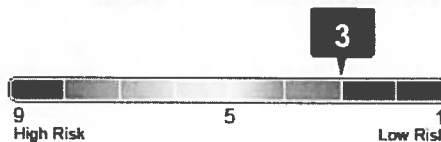


Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 5 have a probability of becoming no longer viable: **7%**
- Percentage of businesses ranked 5: **14%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

3

Portfolio Comparison



Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Limited Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 3 within this model segment have a probability of becoming no longer viable: **7%**
- Percentage of businesses ranked 3 within this model segment: **11%**
- Within this model segment, the average probability of becoming no longer viable: **11%**

E

Data Depth Indicator



Data Depth Indicator Details:

- ✓ Rich Firmographics
- ✓ Sparse Commercial Trading Activity
- ✗ No Financial Attributes

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at <https://iupdate.dnb.com/iUpdate/>

P

Company Profile

Financial Data	Trade Payments	Company Size	Years in Business
Not Available	Available (1-2 Trade)	Medium	Young

Company Profile Details:

- Financial Data: **Not Available**
- Trade Payments: **Available (1-2 Trade)**
- Business Size: **Medium** (Employees: 10-49 or Sales: \$100K-\$499K)
- Years in Business: **Young (<5)**

Business History

Officers FRANCISCO PEREZ MESA, PRIN-MBR

Directors THE OFFICER(S)

As of 12/19/2015

The Florida Secretary of State's business registrations file showed that Accountable Care Options, LLC was registered as a Limited Liability Company on February 10, 2012.

Business started 2012. 100% of capital stock is owned by Francisco Perez Mesa.

FRANCISCO PEREZ MESA. 2012 present active here.

Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Sep 06 2015:

Registered Name	ACCOUNTABLE CARE OPTIONS, LLC	Registration ID	L12000020009	Principals														
		Status	ACTIVE															
Business Type	DOMESTIC LIMITED LIABILITY CO	Where Filed	STATE DEPARTMENT/CORPORATION DIVISION , TALLAHASSEE , FL															
State of Incorporation	FLORIDA																	
Filing Date	02/10/2012	Registered Agent	RICHARD J LUCIBELLA 2240 WOOLBRIGHT RD, BOYNTON BEACH, FL 334260000															
				<table><tr><td>Name</td><td>Title</td></tr><tr><td>RICHARD J LUCIBELLA</td><td>MGR</td></tr><tr><td colspan="2">2240 WOOLBRIGHT RD #317, BOYNTON BEACH, 334260000, FL</td></tr><tr><td>IVAN LAVERNIA</td><td>MGR</td></tr><tr><td colspan="2">2240 WOOLBRIGHT RD #317, BOYNTON BEACH, 334260000, FL</td></tr><tr><td>FRANCISCO PEREZ MESA</td><td>MGR</td></tr><tr><td colspan="2">2240 WOOLBRIGHT RD, BOYNTON BEACH, 334260000, FL</td></tr></table>	Name	Title	RICHARD J LUCIBELLA	MGR	2240 WOOLBRIGHT RD #317, BOYNTON BEACH, 334260000, FL		IVAN LAVERNIA	MGR	2240 WOOLBRIGHT RD #317, BOYNTON BEACH, 334260000, FL		FRANCISCO PEREZ MESA	MGR	2240 WOOLBRIGHT RD, BOYNTON BEACH, 334260000, FL	
Name	Title																	
RICHARD J LUCIBELLA	MGR																	
2240 WOOLBRIGHT RD #317, BOYNTON BEACH, 334260000, FL																		
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FRANCISCO PEREZ MESA	MGR																	
2240 WOOLBRIGHT RD, BOYNTON BEACH, 334260000, FL																		

Government Activity Summary

Activity Summary		Possible candidate for socioeconomic program consideration	
Public Company	N/A	Labor Surplus Area	N/A
Importer/Exporter	N/A	Women Owned	N/A
		Minority Owned	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

Operations Data

As of 12/19/2015

Description: Provides management consulting services, specializing in hospital or health services (100%).

Employees: 11 which includes officer(s).

Facilities: Occupies premises in building.

Special Events

As of 11/16/2015

The name and address of this business have been confirmed by D&B using available sources.

Industry Data

SIC		NAICS	
Code	Description	Code	Description
87420404	Hospital and health services consultant	541611	Administrative Management and General Management Consulting Services

Financial Statements

Key Business Ratios (Based on 23 establishments)

D&B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance. To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	UN	7.8	UN
Return on Net Worth	UN	63.4	UN
Short Term Solvency			
Current Ratio	UN	2.6	UN
Quick Ratio	UN	2.8	UN
Efficiency			
Assets Sales	UN	27.6	UN
Sales / Net Working Capital	UN	6.3	UN
Utilization			
Total Liabs / Net Worth	UN	71.5	UN

Most Recent Financial Statement

As of 12/19/2015

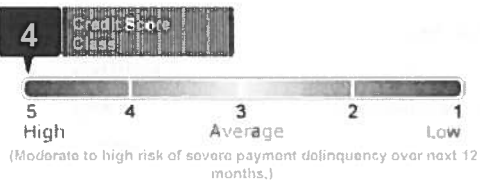
Indicators

A check of D&B's public records database indicates that no filings were found for ACCOUNTABLE CARE OPTIONS LLC, 2240 W Woolbright Rd Ste 317, Boynton Beach, FL. D&B's extensive database of public record information is updated daily to ensure timely reporting of changes and additions. It includes business-related suits, liens, judgments, bankruptcies, UCC financing statements and business registrations from every state and the District of Columbia, as well as select filing types from Puerto Rico and the U.S. Virgin Islands. D&B collects public records through a combination of court reporters, third parties and direct electronic links with federal and local authorities. Its database of U.S. business-related filings is now the largest of its kind.

Commercial Credit Score

Summary

Credit Score Class



Incidence of Delinquent Payment

Among Companies with This Class	9.40%
Average Compared to All Businesses	10.20%
Credit Score Percentile	20
Credit Score	473
Number of Payment Experiences	1

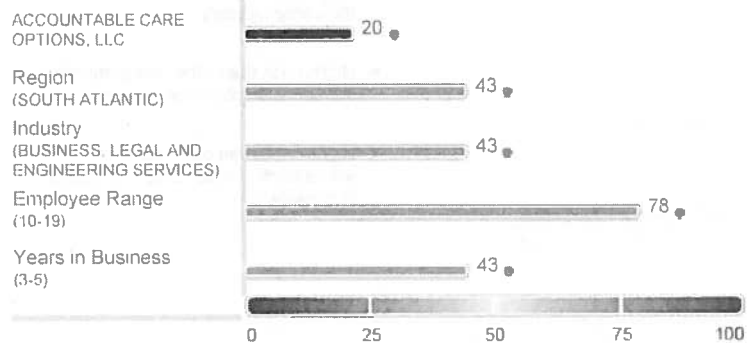
Key Factors

- No payment experiences reported
- Higher risk region based on delinquency rates for this region
- Limited time under present management control
- Higher risk industry based on delinquency rates for this industry

Notes

- The Credit Score Class indicates that this firm shares some of the same business and payment characteristics of other companies with this classification. It does not mean the firm will necessarily experience delinquency.
- The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.
- The Credit Score Percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
- The Credit Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Credit Score Percentile Norms Comparison

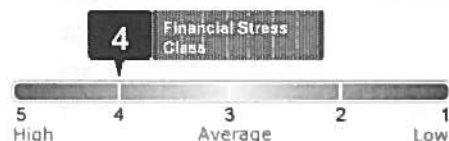


- Higher risk than other companies in the same region.
- Higher risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Financial Stress Score

Summary

Financial Stress Class



Financial Stress Score Percentile

Financial Stress National Percentile	30
Financial Stress Score	1438
Probability of Failure with This Score	0.84%
Failure per 10K	84/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	1

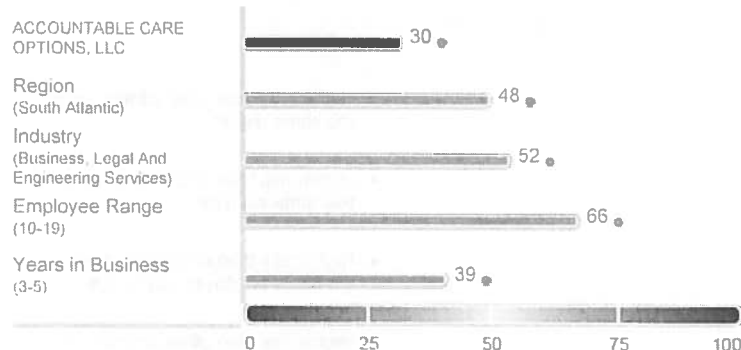
Key Factors

- Low proportion of satisfactory payment experiences to total payment experiences.
- Limited time under present management control

Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The probability of failure shows the percentage of firms in a given percentile that discontinue operations with loss to creditors. The average probability of failure is based on businesses in D&B's database and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&B's file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Financial Stress Percentile Comparison



- Higher risk than other companies in the same region.
- Higher risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Advanced Paydex + CLR

D&B has not received a sufficient sample of payment experiences to establish a PAYDEX score.

D&B receives nearly 400 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received. At this time, none of those experiences relate to this company.

D&B PAYDEX®

Total Payment Experiences for the HQ	1	Highest Now Owing	\$0
Total Placed for Collection	0	Highest Past Due	\$0
Largest High Credit	\$50		

Credit Limit Recommendation

Risk Category



Recommendation Date

01/28/2016

Conservative Credit Limit

\$2,500

Aggressive Credit Limit

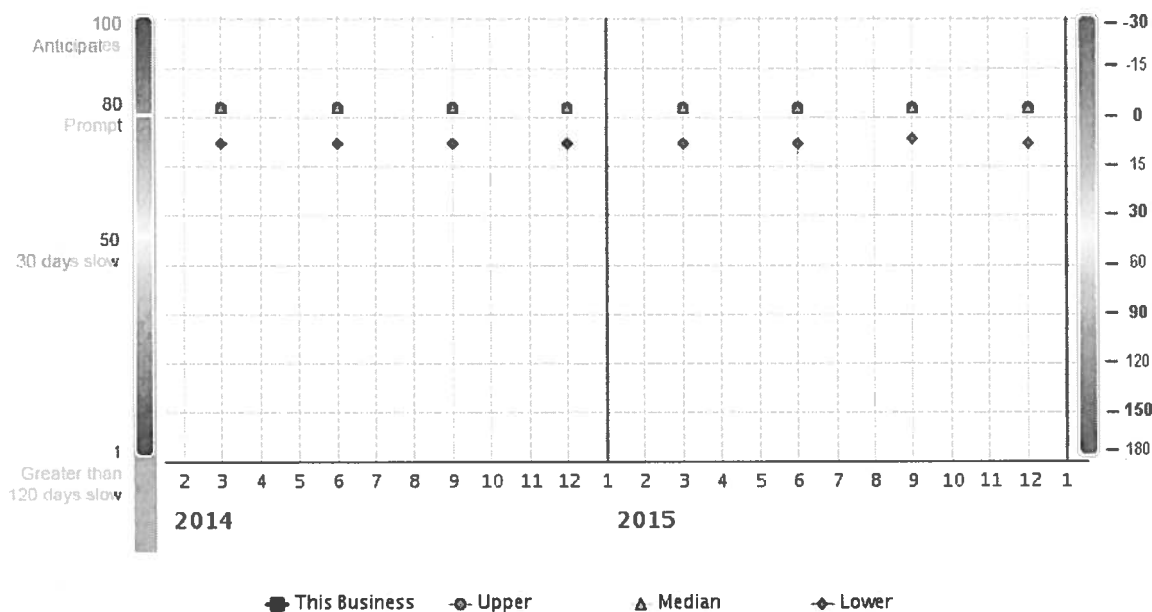
\$15,000

Key Factor

Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits

PAYDEX Yearly Trend

Shows PAYDEX scores of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Management consulting services, based on SIC code 8742.



Upper	80	80	80	80	80	80	80	80
Median	80	80	80	80	80	80	80	80
Lower	72	72	72	72	72	72	73	72

Note

- Industry upper quartile represents the performance of the payers in the 75th percentile.
- Industry lower quartile represents the performance of the payers in the 25th percentile.

Payment Summary

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

D&B has not received a sufficient sample of payment experiences to establish a PAYDEX score.

There are 1 payment experiences in D&B's file, with 0 experiences reported during the last three month period. The highest Now Owes on file is \$0. The highest Past Due on file is \$0.

Other Payment Categories

Category	Total Received	Total Dollar Amounts	Largest High Credit
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Cash experiences	1	\$50	\$50
Payment record unknown	0	0	0
Unfavorable comments	0	0	0
Placed for Collection	0	0	0

Detailed Payment History

Date Reported	Paying Record	High Credit	Selling Terms	Last Sale within(months)
April 2015	(001)	\$50	Cash account	1

Lines shown in red are 30 or more days beyond terms

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.