

## **Jason Altieri**

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**From:** sharepoint@milliman.com  
**Sent:** Monday, September 11, 2017 2:24 PM  
**To:** Jason Altieri  
**Cc:** Brandy Wilson; Beau Preston  
**Subject:** PROVIDENCE HEALTHCARE NETWORK CENTRAL TEXAS SCREEN RESULTS  
**Attachments:** providence-health-services-of-waco\_09-11-2017.pdf

This is to inform you that your client screening request has been completed by Dan Ritchie (Contractor)

### **Providence Healthcare Network Central Texas**

<b>Request Date:</b>	<b>08-25-2017</b>
<b>Requestor:</b>	<b>Jason Altieri</b>
<b>Discipline:</b>	<b>Health</b>
<b>Company Name:</b>	Providence Healthcare Network Central Texas
<b>On High Risk Client List? :</b>	No
<b>A.M. Best Rating :</b>	None
<b>Moody's Rating :</b>	None
<b>D&amp;B Credit Score Class :</b>	7 (high risk of payment delinquency over next 12 months)
<b>D&amp;B Financial Stress Class :</b>	42 (moderate risk of financial stress, including bankruptcy, over next 12 months)
<b>WorldCheck Rating :</b>	N/A;
<b>Ownership :</b>	

Founded in 1905 by the Christian group Daughters of Charity as a non-profit Catholic health care ministry, and headquartered in Waco, Texas, Providence Healthcare Network (Providence), a.k.a. Providence Health Services of Waco, is a complete healthcare network of physicians and clinics that provide care in virtually every medical discipline, such as but not restricted to, mental health care, cancer care, emergency care, heart care, rehabilitative care, neurology, and women's health care. Providence has 38 Texas locations. Providence is part of Ascension Health of Saint Louis, MO, the largest non-profit health system in the U.S., and the largest Catholic health system. Ascension provides hospital and nursing home management to system members.

The Texas Secretary of States business registrations file showed that Providence Health Services of Waco was registered as a Non Profit Corporation on March 23, 1908.

#### **Officers :**

I profiled the individuals listed below using Google and Factiva sources, and screened them for involvement in criminal and civil litigation using LexisNexis databases and dockets. I located no Lexis results for Mr. Province. For Mr. Becker and Mr. Buck I uncovered innumerable results in my search for litigation involvement, but due to the commonness of their names, my search results remain inconclusive. That said, I found no evidence that any of these named officials has ever been involved in personal or professional misconduct or illegal activity.

- **Interim President & CEO:** Steven Province: Mr. Province is replacing Brett Esrock as of April, 2017. Mr. Esrock will become CEO of Holmes Regional Medical Center in Florida. Providence named Mr. Province as Interim President and announced that it has begun a nationwide search for Mr. Esrock's successor. Mr. Province's *LinkedIn* profile can be seen here: <https://www.linkedin.com/in/steven-province-fache-3bb08315/>.
- **Senior VP & Chief Medical Officer:** Brian Becker, MD
- **VP & COO:** Bob Buck

The names and profiles of all the management team at Providence can be seen here: <https://www.providence.net/about-providence/our-leadership/>.

#### **Prior Health Risk Assessment :**

N/A

#### **Noteworthy News :**

My scan of local and national newspapers, news wires, trade journals, and Internet search engines produced a small media footprint for Providence, with most attention focusing on the recent departure of Mr. Brett Esrock as CEO and his Interim replacement, employment opportunities, physician directories, and company reviews. There was little newsworthy attention to be found. I used both Providence Healthcare Network and Providence Health Services of Waco in my search, and still found only a small amount of press coverage. The entity does have a News option on their web site, here: <https://www.providence.net/news/>.

- **April, 2017:** Brett Esrock, president of Providence Healthcare Network, is leaving Waco to become CEO of Holmes Regional Medical Center in Melbourne, Florida. Providence has named Steven Province as its interim president and announced it has begun a nationwide search for Esrock's successor. Province joined Providence in 2014 as senior vice president for operations and chief operating officer. (Source: Waco Tribune-Herald, April 17, 2017. Full article here: [http://www.wacotrib.com/news/business/providence-healthcare-network-president-leaving-for-florida/article\\_376d1f41-4c7a-549a-bd8b-b2ea4fbaf33a.html](http://www.wacotrib.com/news/business/providence-healthcare-network-president-leaving-for-florida/article_376d1f41-4c7a-549a-bd8b-b2ea4fbaf33a.html)).

#### **Litigation History :**

Screening for involvement in illegal activity via news sources, Internet search engines, and LexisNexis federal and state court databases and dockets I uncovered no litigation involvement at all using the name Providence Healthcare Network, and only one 2008 case when I used Providence Health Services of Waco. In this case, parents of a minor patient sued the entity for negligence, but the case was later dismissed. Also, I found no evidence that Providence has ever been in a dispute resolution with an actuary or other professional advisor.

#### **Comments :**

Note: I was not able to locate a previous screen for Providence.

At the leadership level Providence screens acceptably as I uncovered no adverse media attention or litigation of concern for the named officers. At the entity level, there was only a small amount of media attention, and very little of that was newsworthy. I found no litigation involvement of concern, and nothing that would bring into question the entity's suitability as a client.

As for their financial condition, there was no Moody's rating offered. In the attached financial report, D&B offers less than stellar ratings for Providence, ratings that are reflective of an entity with a high risk of payment issues and a moderate risk of financial distress in the near term. These ratings are backed up by 64 Trade Experiences which indicate that Providence pays its suppliers within terms 66% of the time, then

requires generally 16 days beyond terms to satisfy their remaining past due accounts. It is notable that their largest high credit on the D&B report is "0", with evidence of a recent past due amount of \$40,000. Notable also is the presence of 54 UCC Filings.

In conclusion Jason, I found no material evidence to suggest that engaging in a business relationship with Providence would pose an undue risk to Milliman. They have rather poor financial scores that reflect a tendency to make severely late payments to suppliers, and in light of this fact I would strongly recommend you ask for a retainer. If you need more research into Providence, please let me know and I will be happy to help.

Dan Ritchie [c-dan.ritchie@milliman.com](mailto:c-dan.ritchie@milliman.com).

NOTE: Please do not reply to this automated notice.