

Client Screening Request

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- Client Screening Report

Request Date: 1/16/2018 **Additional CC:**
Discipline *: Health **Company Name:** Innovation Care Partners

Moody's Rating: N/A

Requestor: Mary Van Der Heijde; **D & B Credit Score Class:** 79 (for SHP: low to moderate risk of payment c

A.M. Best Rating: N/A

On High Risk Client List? ☐ Yes ☒ No

D & B Financial Stress Class: 19 (for SHP: moderate to high risk of financial stress, including bankruptcy, over next 12 months)

WorldCheck Rating:

- ☒ N/A
- ☐ Criminal
- ☐ Money Laundering
- ☐ Terrorism
- ☐ Corruption
- ☐

Ownership:

Founded in 2012 and headquartered in Scottsdale, Arizona, Innovation Care Partners (ICP), formerly Scottsdale Health Partners, is a clinically integrated health care network of physicians that have come together to offer high quality, cost efficient health care. ICP is an Accountable Care Organization (ACO) that manages two MSSP contracts: Scottsdale Health Partners, LLC (SHP) and John C. Lincoln Accountable Care Organization, LLC. An ACO is a group of doctors, hospitals, and other healthcare providers that coordinates efforts to give health care to Medicare patients. MSSP refers to Managed Security Service Provider, an entity that provides outsourced monitoring and management of security devices and systems. ICP is wholly owned by HonorHealth (Tradestyle: Scottsdale Healthcare Corp.), a Scottsdale-based five-hospital organization. ICP has more than 1,600 physician members and covers more than 50,000 patients, and contracts with sex insurance companies.

SHP filed with the Arizona Secretary of State on July 13, 2013, File Number: L17712855. ICP filed with the same department on July 08, 2016, File Number: 651820.

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 found no evidence in my Lexis search for litigation involvement that any of the named officers has ever been involved in illegal activity or professional malfeasance.

- **CEO:** Savas Petrides: Dr. Petrides is a Nephrologist affiliated with HonorHealth.
- **COO:** Faron Thompson
- **Chief Financial Analyst:** Mark Kem

The names and profiles of all the Executive team including the above-mentioned officials, can be seen here:

<https://www.innovationcarepartners.com/executive-team>.

Prior Health Risk Assessment: ☐ Yes ☐ No

Noteworthy News:

My scan of local and national newspapers, news wires, trade journals, and Internet search engines found a moderate amount of press coverage for ICP, and of the coverage I reviewed I found nothing that was particularly adverse in tone or content, and nothing that would bring into question their suitability as a client. I did include three articles below that I thought might unravel any confusion as to the relationship between ICP and Scottsdale Health Partners & John C. Lincol Accountable Care Organization. Also, ICP does have a News option on their web site, here: <https://www.innovationcarepartners.com/news>.

- **November, 2017:** Innovation Care Partners announces earned revenue in Medicare Shared Savings Program. Innovation Care Partners, an affiliate of HonorHealth, announces that for the third year in a row, Scottsdale Health Partners (SHP) a Medicare Shared Savings Program (MSSP) has earned a shared savings payment from Medicare for its outstanding quality and efficiency in 2016. (Source: *CISION PR Newswire, November 15, 2017*. Details here: <https://www.prnewswire.com/news-releases/innovation-care-partners-announces-earned-revenue-in-medicare-shared-savings-program-300557053.html>).
- **September, 2016:** At a time when many accountable care organizations (ACOs) participating in the Medicare Shared Savings Program (MSSP) for ACOs are struggling to meet the cost-savings and quality-outcomes benchmarks set for them by senior officials at the Centers for Medicare & Medicaid Services (CMS), a minority of the MSSP ACOs are doing very well. Among these is the organization that until a few weeks ago was known as Scottsdale Health Partners. A large multispecialty physician group based in Phoenix, Scottsdale Health Partners had 700 physicians at the time it joined the MSSP program in January 2014. Last month, Scottsdale Health Partners went through a merger with another local group, and has now taken the name Innovation Care Partners; the group now has over 1,200 physicians in the Phoenix area and in central Arizona. Scottsdale Health Partners was one of a small plurality of MSSP ACOs to be able to post outstanding cost savings and clinical outcomes results, when CMS officials announced results for the nationwide program, on August 25. (Source: *healthcare informatics, September 11, 2016*. Full article here: <https://www.healthcare-informatics.com/article/population-health/scottsdale-health-partners-cmo-explains-how-his-aco-has-beaten-mssp>).
- **August, 2016:** Two Valley accountable care organizations have come together under Innovation Care Partners, a new division of HonorHealth. HonorHealth, Scottsdale Health Partners and John C. Lincoln Accountable Care Organization have come together to form Innovation Care Partners, a clinically integrated network and accountable care organization. Innovation Care Partners includes more than 1,000 physicians, over 350 physician offices, plus HonorHealth's five hospitals, clinics and outpatient facilities. Innovation Care Partners currently manages more than 60,000 patients through eight different insurance contracts including Medicare Advantage, commercial insurance and HonorHealth's employee health plan. While Innovation Care Partners is wholly owned by HonorHealth, it is governed by a 15-member board of HonorHealth employed and private practice physicians from primary and specialty care. (Source: *AZBigMedia, August 26, 2016*. Full article here: <https://azbigmedia.com/honorhealth-announces-accountable-care-entity/>).

Litigation History:

Screening for involvement in illegal activity via news sources, Internet search engines, and LexisNexis federal and state court databases and dockets I used the name Innovation Care Partners and found no litigation results. I then used the entity's former name Scottsdale Health Partners and found no results. I found no evidence of susceptibility to litigation and no evidence that ICP is litigious. I also found no evidence that they have ever been in a legal dispute with an actuary or other professional advisor.


Comments:


At the management level, ICP screens acceptably as I found no adverse media attention or concerning litigation involvement for any of the named officials. At the entity level, there was a good amount of press attention, but none of the articles I reviewed were adverse in tone or content. I found no litigation involvement at all for ICP under its present name or its former name.

As for their financial condition, there was no Moody's rating offered, using either name for our entity. As for their financial condition, I could find no D&B report specific to ICP, but I did find a report using the former name of Scottsdale Health Partners (SHP), which I have attached for your review. I find it odd that D&B does not have a report using the name ICP, but maybe it is because their name was changed to SHP was so recent. In the attached report for SHP, D&B gives a mixed picture of the SHP, reflective of an entity with a low to moderate risk of payment issues and a moderate to high risk of financial distress in the near term. Part of the reason for these rather tepid scores is the presence of only "5" Trade Experiences. Five Trade Experiences is not sufficient with which to accurately determine an entity's payment practices or creditworthiness. I have also attached a D&B report for parent company HonorHealth for your review, and their scores are considerably better.

In the end Mary, my research found no material evidence to suggest that engaging in a business relationship with ICP (SHP) would pose an undue risk for Milliman. Their less than stellar D&B ratings are somewhat disconcerting, and should give you pause to consider asking for a retainer, but that is up to you. I hope this information helps you in making your decision. If you should require more information about ICP, please let me know and I will be happy to help.

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

 scottsdale-healthcare-corp_01-16-2018.pdf
322.46 KB

 scottsdale-health-partners_01-16-2018.pdf
265.18 KB

 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 *:

1/16/2018

Client *:

Innovation Care Partners

Discipline(s)
Involved *:

- ☐ Casualty
☐ Employee Benefits
☒ Health
☐ Life

Client Status *:

- ☒ New Client ☐ Existing Client
☐ RMAP Referral

Client Website URL (if
known):<https://www.innovationcarepartners.com>

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

Client Location *:

- ☒ US ☐ International

Consultant *:

Mary Van Der Heijde;

Names/Titles of Officers (if known):

Savas Petrides - CEO
Faron Thompson - COO
Mark Kem - Chief Financial Analyst

For international screens, please select 'INTL'

State *:

AZ

HQ Address:

8901 E Mountain View Rd, Suite 130
Scottsdale, AZ 85258

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

- ☐ Yes ☒ No

Additional Comments to Aid the Screening:

Click here to attach a file

☒ Add Attachment

* -indicates required field