

## Susan OConnor

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**From:** Thomas Butler  
**Sent:** Thursday, September 03, 2015 5:28 PM  
**To:** Susan OConnor  
**Subject:** FW: SCOTI, LLC (WESTERN OREGON ADVANCED HEALTH) SCREEN RESULTS  
**Attachments:** Western Oregon Advaned Health LLC 09.03.2015.pdf

FYI,  
Tom

**From:** sharepoint@milliman.com [mailto:sharepoint@milliman.com]  
**Sent:** Thursday, September 03, 2015 4:47 PM  
**To:** Art Wilmes <art.wilmes@milliman.com>  
**Cc:** Thomas Butler <Thomas.Butler@milliman.com>; Brandy Wilson <brandy.wilson@milliman.com>; Beau Preston <Beau.Preston@milliman.com>  
**Subject:** SCOTI, LLC (WESTERN OREGON ADVANCED HEALTH) SCREEN RESULTS

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

### **SCOTI, LLC (Western Oregon Advanced Health)**

<b>Request Date:</b>	<b>09-02-2015</b>
<b>Requestor:</b>	<b>Art Wilmes</b>
<b>Discipline:</b>	<b>Health</b>
<b>Company Name:</b>	SCOTI, LLC (Western Oregon Advanced Health)
<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>	2 (Low to moderate risk of severe payment delinquency over the next 12 months)
<b>D&amp;B Financial Stress Class :</b>	3 (Moderate risk of severe financial stress, including business failure, over the next 12 months)
<b>WorldCheck Rating :</b>	N/A;
<b>Ownership :</b>	

Western Oregon Advanced Health, LLC ("WOAH") is a local coordinated care organization for Oregon Health Plan members in Coos and Curry Counties. WOAH registered as an LLC with the Oregon Secretary of State in May 2012. I am unable to locate ownership information.

South Coast Technical Innovations, LLC ("SCOTI") is 100% owned by WAOH and is in the business of developing electronic records imaging for medical services. SCOTI is funded through a transformation grant.

#### **Officers :**

I profiled the executives named below using the LexisNexis database as well as online news resources. Nothing I find suggests that either of the other two individuals listed here have been accused of

professional malfeasance or willful misconduct, or been convicted of criminal wrongdoing of concern to Milliman. I am unable to locate detailed biographical information.

- **CEO:** Phil Greenhill
- **Medical Director:** Theresa Muday, MD

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

N/A

#### **Noteworthy News :**

A scan of Internet search engines, as well as local and national newspapers, news wires, trade journals, and transcripts yields no media coverage adverse to WOA. The coordinated care organization does not have a large web presence, with most of the articles and posts focused on partnerships, the formation of the company, and its continued success. Nothing I find is concerning or worrisome. It appears that only the annual WOA financial statements connect SCOTI and WOA, as I find no articles that mention both entities. In fact SCOTI is hardly mentioned online at all. The WOA website does have a news page, but there is nothing posted there.

- **June 2014:** The feds gave Oregon \$2 billion to improve people's health, and to change the way doctors and hospitals get paid. Under the old model, the more tests and services a hospital ordered, the more it got paid. But now, coordinated care organizations, or CCOs, get a lump sum to pay for the health needs of all Oregon Health Plan recipients in their area. That means a CCO can save money if it improves the health of that population. "We think we had an outstanding year for the first year of the metrics measurements," said Phil Greenhill of WOA. His CCO got 100% of the available incentive pay. A CCO is an umbrella organization under which many doctors, clinics and hospitals in an area come together to serve Oregon's Medicaid population. Under Oregon's new health-care model, the state holds back 2% of monthly payments through the end of the year. To get that money, each CCO had to show improvement on various health care measurements. Eleven of Oregon's 15 CCOs did that and will receive 100% of the incentive money back. Greenhill said WOA will plow that money back into health improvements for next year. "Certainly it got our attention," he said. "In our case it was over \$1 million." But even though it received all of its incentive pay, there are areas that could improve. For example, WOA saw its patient immunization rate drop from 67 percent to 49 percent. Medical director Theresa Muday said it's too soon to say what that means. (*OPB*, Kristian Foden-Vencil, June 24, 2014, <http://www.opb.org/news/series/vitalsigns/oregons-new-medicaid-health-coordinators-learn-how-well-theyre-performing/>)

#### **Litigation History :**

Screening for litigation via news sources, Internet search engines, and LexisNexis federal and state court databases and dockets reveals that WOA is neither litigious nor susceptible to litigation. I do not find any evidence to suggest our potential client has been involved in any litigation whatsoever, including a dispute involving a financial or actuarial advisor. I found the same results for SCOTI.

#### **Comments :**

WOA screens acceptably, although my results are less conclusive for SCOTI due to the lack of available information on the company. At the executive level, although I do not find anything to indicate that the individuals listed above have been involved in any questionable activity, I cannot find any biographical information for the company executives. As an entity, WOA does not garner a great deal of press attention for itself outside of event surrounding its initial creation and its continued success in hitting its benchmarks. Further, it does not appear that WOA has been involved in any litigation whatsoever.

It might be worth noting here that a presentation put on by WOAHA does include a couple of white papers in its slide deck (starting on slide 9):  
<https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/79138>. I am not sure if this is of concern to you or not since the Milliman documents appear to be white papers.

In terms of financials, the WOAHA D&B ratings are good, indicating a moderately low risk of late vendor payments and a moderate risk of financial distress in the near term. That said, there are only two payment experiences reported for WOAHA, giving the ratings a bit less significance. Given that WOAHA was only legally created three years ago, I am not terribly surprised by the low number of payment experiences. As it appears that you have done work for WOAHA in the past, I will leave it to you to decide if a retainer is warranted. Nothing I find suggests that an engagement with WOAHA would prove to be a risky proposition for Milliman with the possible exception of the distribution of Milliman work product. However, as white papers, I believe these particular types of work product are intended for wide distribution.

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

Beau

[beau.preston@milliman.com](mailto:beau.preston@milliman.com)

NOTE: Please do not reply to this automated notice.

## WESTERN OREGON ADVANCED HEALTH, LLC

D-U-N-S® 07-917-7210

Single  
750 Central Ave Ste 202,  
Coos Bay, OR 97420

Phone 541 269-7400

## Comprehensive Report

Purchase Date: 09/03/2015

Last Update Date: 10/31/2013

Attention: Legal

### Executive Summary

#### Company Info

Year Started 2012 Employees Undetermined

Control Year 2012

\*\*\* 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.

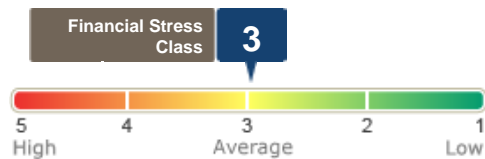
#### D&B Rating

D&amp;B Rating

**ERN**

#### Predictive Analytics

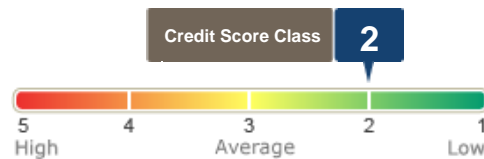
##### Financial Stress Class



The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000).

Financial Stress Class	3
Financial Stress Score	1,466
Highest Risk	1,001
Lowest Risk	1,875

##### Credit Score Class



The Credit Score class of 2 for this company shows that 2.50% of firms with this classification paid one or more bills severely delinquent.

Credit Score Class	2
Credit Score	542
Highest Risk	101
Lowest Risk	670

#### Credit Limit Recommendation

##### Risk Category

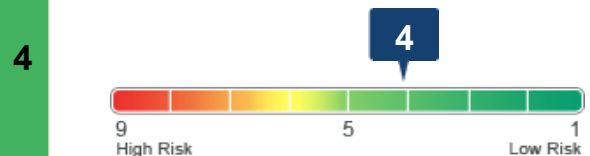


#### D&B Viability Rating

D&amp;B Viability Rating

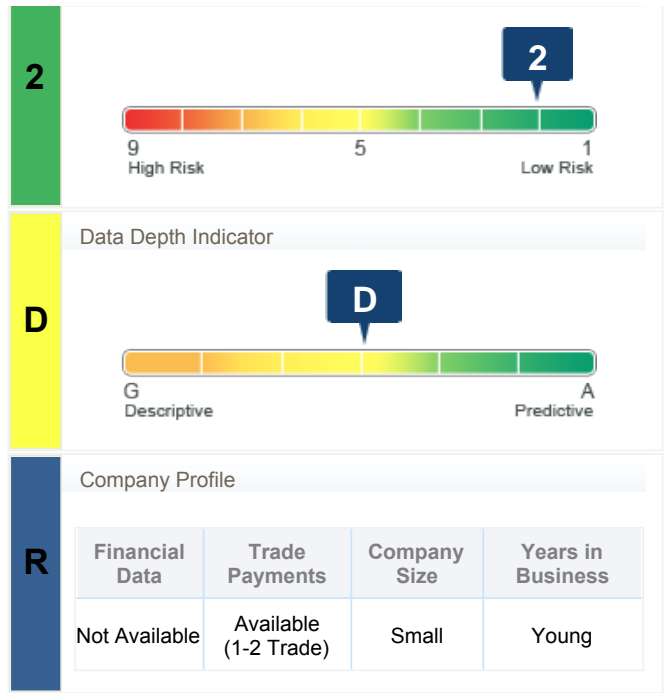
**4 2 D R**

##### Viability Score



##### Portfolio Comparison

**2**



## Business Information

### Business Summary

SIC	9999 Nonclassified establishment
NAICS	999990 Unclassified Establishments
History Status	CLEAR

### Credit Capacity Summary

#### D&B Rating

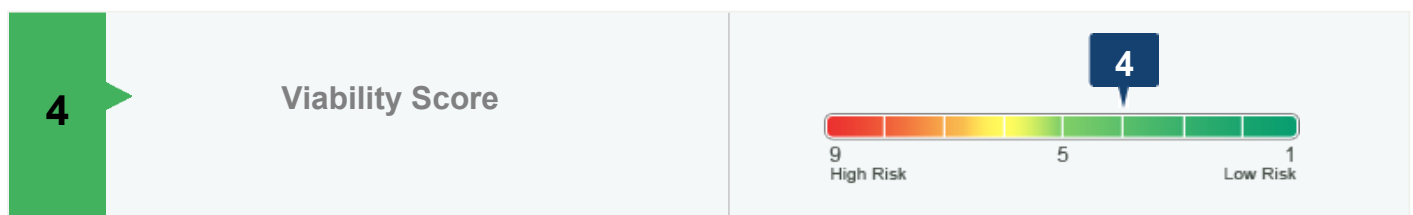
**ERN**

Prior D&B Rating	ERN
Rating Date	10/31/2013

Payment Activity (based on 2 experiences)	USD
Average High Credit	\$200,000
Highest Credit	200,000
Total Highest Credit	200,050

## 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.

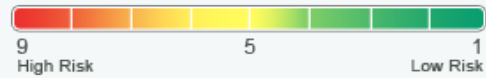


#### Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 4 have a probability of becoming no longer viable: **5%**
- Percentage of businesses ranked 4: **14%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

2

## Portfolio Comparison



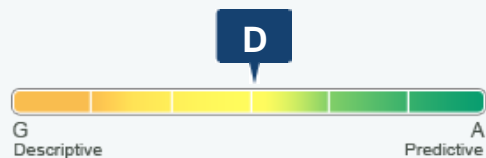
## Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Limited Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 2 within this model segment have a probability of becoming no longer viable: **6%**
- Percentage of businesses ranked 2 within this model segment: **12%**
- Within this model segment, the average probability of becoming no longer viable: **11%**

D

## Data Depth Indicator



## Data Depth Indicator Details:

- ✓ Rich Firmographics
- ✓ Partial 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/>

R

## Company Profile

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

## Company Profile Details:

- Financial Data: **Not Available**
- Trade Payments: **Available** (1-2 Trade)
- Business Size: **Small** (Employees: <10 and Sales: <\$10K or Missing)
- Years in Business: **Young** (<5)

## Business History

**Officers** PHIL GREENHILL, MNG MBR

**Directors** THE OFFICER(S)

As of 10/31/2013

The Oregon Secretary of State's business registrations file showed that Western Oregon Advanced Health, LLC. was registered as a Limited Liability Company, on May 9, 2012.

Business started 2012.

PHIL GREENHILL. Antecedents not available.

## Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Aug 26 2015:

Registered Name	WESTERN OREGON ADVANCED HEALTH, LLC	Registration ID	85542497	Principals	
		Status	ACTIVE		
Business Type	DOMESTIC LIMITED LIABILITY CO	Where Filed	SECRETARY OF STATE/CORPORATIONS DIVISION , SALEM , OR	Name	Title
		Registered Agent	TT ADMINISTRATIVE SERVICES, LLC 888 SW FIFTH AVE STE 1600, PORTLAND, OR 972040000	PHIL GREENHILL	MANAGER
State of Incorporation	OREGON			750 CENTRAL AVE, COOS BAY, 974200000, OR	
Filing Date	05/09/2012				

## Government Activity Summary

Activity Summary		Possible candidate for socioeconomic program consideration	
<b>Borrower</b>	No	<b>Labor Surplus Area</b>	N/A
<b>Administrative Debt</b>	No	<b>Small Business</b>	N/A
<b>Grantee</b>	No	<b>Women Owned</b>	N/A
<b>Party Excluded from Federal Programs</b>	No	<b>Minority Owned</b>	N/A
<b>Public Company</b>	N/A		
<b>Contractor</b>	No		
<b>Importer/Exporter</b>	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 10/31/2013

**Description:** Nonclassifiable establishments.  
Terms are undetermined. Sells to undetermined.

**Employees:** Undetermined.

**Facilities:** Occupies premises in a building.

## Industry Data

SIC		NAICS	
Code	Description	Code	Description
99990000	Nonclassifiable establishments	999990	Unclassified Establishments

## Financial Statements

### Key Business Ratios

Business ratios are not available for this company or its industry. Certain segments, such as financial services, insurance companies, government agencies and public institutions, have distinctive financial reporting characteristics that do not allow for calculation of these measures.

### Most Recent Financial Statement

As of 10/31/2013

As of October 31, 2013, attempts to contact the management of this business have been unsuccessful. Outside sources confirmed location.

As of October 31 2013 a search of Dun & Bradstreet's Public Record database found no open suits, liens, judgements or UCCs to which Western Oregon Advanced Health, LLC at 750 Central Ave Ste 202, Coos Bay OR was named defendant or debtor. Public records received hereafter will be entered into the database and will be included in reports which contain a Public Filings section.

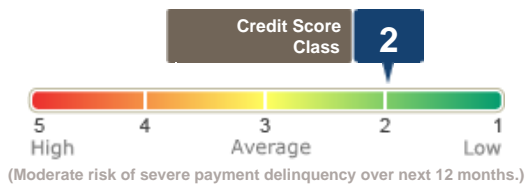
## Indicators

A check of D&B's public records database indicates that no filings were found for WESTERN OREGON ADVANCED HEALTH LLC, 750 Central Ave Ste 202, Coos Bay, OR. 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	2.50%
Average Compared to All Businesses	10.20%
Credit Score Percentile	77
Credit Score	542
Number of Payment Experiences	2

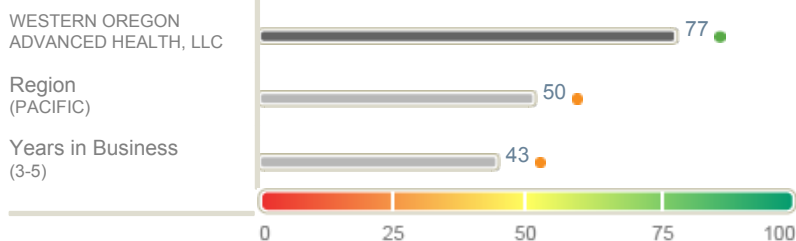
### Key Factors

- Limited number of satisfactory payment experiences
- 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
- Decreasing trend in reported number of payment experiences

#### 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



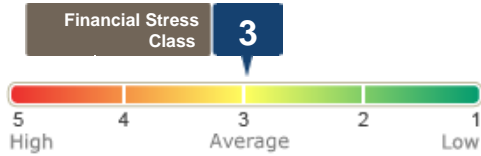
- Lower risk than other companies in the same region.
- Lower risk than other companies with a comparable number of years in business.

## Financial Stress Score



## Summary

### Financial Stress Class



## Financial Stress Score Percentile

Financial Stress National Percentile	43
Financial Stress Score	1466
Probability of Failure with This Score	0.24%
Failure per 10K	24/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	2

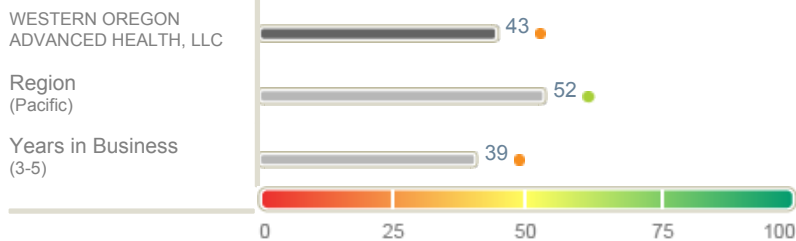
## Key Factors

- Limited time in business
- Higher risk legal structure.
- Low proportion of satisfactory payment experiences to total payment experiences.

## 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.
- Lower 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®

Average High Credit	\$200,000	Total Payment Experiences for the HQ	2	Highest Now Owing	\$0
		Total Placed for Collection	0	Highest Past Due	\$0
		Largest High Credit	\$200,000		

## Credit Limit Recommendation

Risk Category

Recommendation Date

09/03/2015

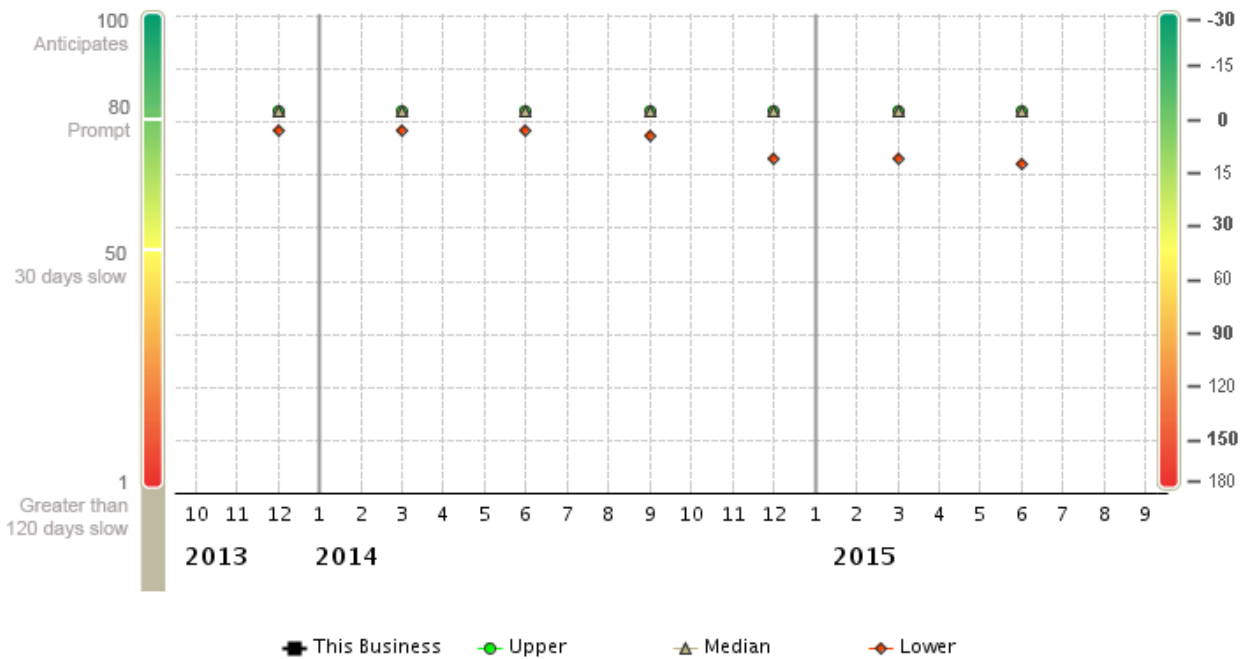


## Key Factor

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 Nonclassified establishment, based on SIC code 9999.



Upper		80		80		80		80		80		80		
Median		80		80		80		80		80		80		
Lower		76		76		76		75		70		70		69

## 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 2 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.

## All Industries

Industries	Total Received	Total Amounts	Largest High Credit	Within Terms (%)	Days Slow (%)			
					0-30	31-60	61-90	90+
Telephone communictns	1	\$200,000	\$200,000	100	0	0	0	0

## Other Payment Categories

Category	Total Received	Total Dollar Amounts	Largest High Credit
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	Now Owes	Past Due	Selling Terms	Last Sale within(months)
October 2014	Ppt	\$200,000	\$0	\$0	N/A	6-12
June 2014	(002)	50	0	0	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.