

Pinnacle Healthcare Consulting provides a range of advisory services to help **hospitals, health systems, physician groups, ambulatory surgery centers and other health care organizations** improve business performance, reduce risk and enhance compliance.





Physician
FMV

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PHC
.com

Strategy &
Operations

Business
Valuation

NORTHGAUGE
HEALTHCARE ADVISORS

ASSISTIVE CODING

PINNACLE
HEALTHCARE CONSULTING

Coding
Audit &
Education

Physician
Compensation
Valuation

Cost
Reduction
Strategies

Pinnacle Healthcare Consulting

Pinnacle Healthcare Consulting is a trusted advisor to hundreds of hospitals, physician practices, ambulatory surgery centers and health organizations around the country. The firm specializes in service line strategy, cost reduction strategy / supply chain, physician alignment facilitation, compensation valuation and design, health care business transactions, medical practice advisory services, physician practice management, medical billing / coding and compliance support. We have an experienced team that distinguishes Pinnacle in the industry and delivers dynamic solutions for our clients' most complex challenges.

Service Lines Include

- Strategy & Operations
- Physician Compensation Design
- Business Valuation
- Medical Practice Advisory Services
- Coding – Audit & Education

Affiliate Companies

- Physician Fair Market Value Program, LLC
- Assistive Coding, LLC
- Pinnacle Enterprise Risk Consulting Services, LLC
- Pinnacle Healthcare Insurance Advisors, LLC
- NorthGauge Healthcare Advisors, LLC (Peer Review)



Strategy & Operations

Developing effective strategies, aligning with physicians and perfecting operational efficiencies are critical to the vitality and success of health care organizations. Pinnacle specializes in helping hospitals and other health care organizations address these and other complex challenges. From promoting physician engagement to eliminating unnecessary supply chain spending, Pinnacle collaborates with clients to devise solutions tailored to their needs. Services include:

Alignment and Integration

Pinnacle provides a structured approach of identifying models and / or arrangement types for hospital-physician, hospital-hospital, or health system-health system alignment and assisting in implementation through due diligence, project management and financial analysis.

Business Planning

Pinnacle assists clients by developing plans to provide clear and compelling direction associated with strategic capital investments for the entire enterprise or a specific set of clinical services and / or service lines.

Service Line Development

Pinnacle assists clients in evaluating the clinical, business and structural requirements of high-profile service lines like cardiovascular, neurosciences, oncology, nephrology and orthopedics that are competitive and a key driver of the organization's success.

Cost Reduction Strategies / Supply Chain

Pinnacle evaluates current expenditures, identifies opportunities, provides organizational structure for negotiation and facilitates the negotiation process to ensure savings are achieved with ongoing support within key specialty services. We also assist our clients and their physicians in developing technology utilization guidelines in order to optimize appropriate deployment of resources.

Financial / Operational Assessments

Pinnacle evaluates service locations, technology, documentation and coding to determine the efficiency and effectiveness of our client's financial operation.

Interim Management / Leadership Development

Pinnacle provides on-site and off-site counsel to key organizational leaders to help facilitate decisions, problem solve and ensure service lines, programs and practices are being managed in a way that increases quality, effectiveness and profitability.



Business Valuation

Pinnacle's accredited professionals provide business valuation opinions to support transactions for mergers, acquisitions and joint ventures in the health care industry. In addition to the valuation of an operating business, Pinnacle performs valuation of intangible assets such as non-compete agreements, customer relationships, trained and assembled workforce, medical records, proprietary technology, as well as tangible assets including fixed assets. Pinnacle also assists clients in valuing options to buy or sell business interests, securities, and off-balance sheet arrangements. Additionally, Pinnacle provides financial advisory services to clients to assist in strategic business planning efforts.

Fair Market Value Determination

Transactions involving physician ownership or not-for-profit entities require fair market value determination to comply with Stark, Anti-Kickback and IRS regulations. Pinnacle has health care industry specific knowledge and experience to value unique transactions and business arrangements such as:

- Mergers & Acquisitions
- Joint Ventures
- Divestitures

Financial & Investment Advisory

Clients are often presented with investment opportunities, such as the sale of the business, practice buy-in or formation of a joint venture, and need outside expertise to assist in their decision making process. Pinnacle's health care transactions experience allows us to assist with:

- Return on Investment Analysis
- Cash Flow Simulation
- Build vs. Buy Analysis
- Debt Service and Phantom Income Tax Liability Coverage

Fair Market Value for Financial Reporting

U.S. Generally Accepted Accounting Principles (GAAP) increasingly require assets and liabilities to be stated at their fair values. Health care transactions often give rise to accounting recognition of various tangible and intangible assets and liabilities which must be recorded at their fair market values and which may need to be revalued at certain points in time. Pinnacle has extensive experience with fair value analysis for situations including:

- Purchase Price Allocations
- Intangible Asset and Goodwill Impairment Testing
- Equity Securities / Non-Controlling Interests
- Off-Balance Sheet Transactions

AREAS OF EXPERTISE INCLUDE:

- ▶ Hospitals
- ▶ Physician Practices
- ▶ Diagnostic Imaging Centers
- ▶ Ambulatory Surgery Centers
- ▶ Long-Term Care Facilities
- ▶ Dialysis Centers
- ▶ Rehabilitation Facilities
- ▶ Skilled Nursing Facilities
- ▶ Cardiac Cath Labs
- ▶ Sleep Centers
- ▶ Urgent Care Centers
- ▶ Laboratory Services

Physician Compensation

Determining appropriate and compliant payments for physician services can be complicated. Diverse factors like Medicare, Stark, Anti-Kickback, Civil Monetary Penalties and IRS compliance, changing physician expectations and trends, as well as the rapid pace of hospital-physician transactions, make it difficult to confidently assess and establish workable compensation terms. Pinnacle is one of the nation's leading valuation firms specializing in physician compensation. Pinnacle's experts guide hospital and other health executives through the most complex physician arrangements. Our fair market value opinions help get deals done while providing the appraisal rigor needed to satisfy evolving government scrutiny.

Fair Market Value Opinions

The types of physician arrangements requiring FMV support continue to evolve, and the value drivers in any particular arrangement are usually unique. Pinnacle consultants work with health organizations to dissect the most complex arrangements and identify their appropriate range of value. Pinnacle opinions are well documented describing the central appraisal methods, data sources and analytical assumptions.

Commercial Reasonableness

As a result of recent government enforcement actions, new emphasis is being placed on the commercial reasonableness of physician arrangements. In addition to calculating FMV, health organizations must also perform analysis of the business rationale, or commercial reasonableness, for creating the arrangement. While this duty traditionally falls on the client operators, Pinnacle leverages our unique knowledge of the industry to assist in this analysis or incorporate a separate analysis in our valuations.

System-Wide Compensation Audits

Pinnacle has devised a practical approach to assessing a large number of physician compensation arrangements under a single engagement. Pinnacle's phased process filters through the physicians to assess each individual, but applies focused resources on the most complex and sensitive arrangements. This targeted approach drives cost-effective and timely results for our clients.

Discovery, Disclosure and Compliance Support

Some health systems find themselves on the wrong side of the compliance fence concerning payments to physicians. Whether the event is a result of a whistle-blower or self-disclosure, assessing the damage or explaining the extent of the problem to enforcement agencies requires rigorous and in-depth analysis. Pinnacle consultants have significant experience working with counsel to prepare analyses and communicate findings in an optimal manner for our clients.



Unique Fair Market Value Services

Referral relationships among providers can involve complex regulations, put businesses at risk, create legal disputes or even generate new business opportunities. Pinnacle's consultants possess the experience and knowledge to help health organizations sort through the complexities of the most unique arrangements to assess value, avoid problems and create tailored client solutions.

Physician Performance Analysis

Refine and reinforce your approach to physician compensation with pay and productivity analysis from Pinnacle Healthcare Consulting. Be confident that your compensation methods and contracts produce results, achieve your goals, and are backed by impartial market intelligence.

Physician Compensation Planning & Design

Physician compensation models vary widely across health organizations depending on strategic objectives and market conditions. Trends toward value-based reimbursement are driving new imperatives in devising compensation programs. Pinnacle's consultants lead organizations through a process that results in the formula that best meets your needs.

Physician FMV Program

As an affiliate of Pinnacle, the Physician Fair Market Value Program provides hospitals and health systems with the data, tools and knowledge needed to more efficiently address physician compensation and related compliance matters. The Physician FMV Program builds internal capacity, saves time and money, and most importantly, promotes compliance with Stark, Anti-Kickback and IRS regulations governing hospital-physician financial relationships.

Common Compensation Arrangements Include:

- Employment
- Medical Directorships
- Physician Executives
- ED Call / Trauma Call
- Professional Service Agreements
- Service Line Coverage Agreements
- Co-Management Agreements
- Clinically Integrated Networks
- Income Guarantees
- Key Opinion Leaders
- Management Service Agreements
- Population Health Impact Analysis

For more information about our Physician FMV Program, please see page 11.





Medical Practice Advisory Services

Pinnacle Healthcare Consulting's experienced professionals provide administrative and managerial leadership to physician practices. Pinnacle assists clients with developing and maintaining a medical practice business with high-level performance in a complex operating environment. Medical Practice Advisory Services allow medical practices to leverage our industry knowledge, our expertise in practice operations and our experience in creating environments focused on the delivery of high value clinical care.

AREAS OF EXPERTISE INCLUDE:

- ▶ Medical Practice Leadership
- ▶ Governance
- ▶ Strategic Planning
- ▶ Practice Operations
- ▶ Revenue Cycle Coordination
- ▶ Information Systems Coordination
- ▶ Payor Contracting
- ▶ Provider Credentialing
- ▶ Financial Planning and Analysis
- ▶ Professional Development
- ▶ Compensation Plans

Ongoing Practice Management

Pinnacle will serve as the administrative leader of your practice. The depth of our integration into your medical practice can be tailored to meet the specific needs of your organization, ranging from high-level advisory and supervisory services to the placement of an administrator in your practice that manages all aspects of operations. Our service allows your practice to access expert administrative leadership that otherwise may be unattainable.

Interim Practice Management

Pinnacle provides administrative leadership for practices in some sort of distress from a leadership standpoint. Pinnacle can step in during situations where your business has had an unexpected or sudden loss of leadership. Our experts will stabilize and improve the performance of your organization through a transition to a permanent manager.

Medical Practice Leadership Coaching

Pinnacle will serve as an advisory resource to your physician leader and / or practice manager. The focus of this service is to provide high-level oversight of your operations and performance while actively developing internal administrative capacity. Pinnacle will assist with coaching, mentoring, problem solving and overall professional development of your practice's internal administrative team.

Coding – Audit & Education

Medical coding is the core element of the health care revenue cycle. Physician proficiency in coding has a distinct impact on the financial viability of practices as well as the management of regulatory risk. Pinnacle's Medical Coding and Audit experts work across specialties and organizational types to ensure optimal coding is being achieved by all providers.

Coding / Documentation Audits

Assess whether a provider's level of service is supported according to correct coding guidelines and documentation standards. Identify improvement opportunities to promote proficiency and compliance.

Compliance / Revenue Risk Assessment

Understanding compliance and revenue risk assessment is vital knowledge for hospital and physician integration. Pinnacle can help discover coding and documentation needs as well as evaluate compliance and revenue risks before or after physician acquisition.

Physician Education

Focused education bolsters knowledge and improves skills for any physician. Pinnacle has expertise in physician education for all specialties and can provide feedback on specific procedures.

Staff Education – Certified Professional Coder (CPC) Prep Classes

Pinnacle offers CPC Prep Classes taught by an AAPC approved instructor who has been trained in the exclusive Professional Medical Coding Curriculum. Students of these classes learn the fundamentals of medical coding and dissect real world medical cases and charts to extract the most relevant information. Visit AskPHC.com/CPCprep for more information.

Coding Services (Assistive Coding)

Pinnacle provides short-term, interim and long-term coding services for a variety of specialties. Our cost effective solutions help any size health system or group utilize internal resources and maximize coding efficiency and productivity. These services are often critical to new practice acquisitions. Visit AssistiveCoding.com for more information.

For more information on Assistive Coding, please see page 12.

Reimbursement Optimization

Collect the money that is owed. Ensure that all services provided are billed and paid at the correct level through detailed reimbursement reviews.

Periodic and Targeted Audits

Regular audits provide an opportunity for uncovering coding deficiencies. Our audits complement compliance efforts for both Medicare and private payers.

Electronic Health Record Template

Maximize the efficiency an organization's current EHR templates with coding techniques that ensure efficiency with optimal documentation.



The image features a blue-tinted background. In the upper portion, three business professionals are silhouetted against a bright window, appearing to be in a meeting. In the lower portion, a desk is visible with a pair of glasses, a pen, and some papers with charts. A dark horizontal band across the middle contains the text 'Additional Services' in white.

Additional Services

Physician Fair Market Value (FMV) Program



The Physician FMV Program is an innovative and proven solution designed to help support physician compensation management and regulatory compliance for hospitals. The program empowers users to make smart and supportable decisions with regard to physician compensation and fair market value matters. Participation is backed by a team of physician compensation experts and FMV data is updated annually.

As an affiliate of Pinnacle, the Physician Fair Market Value Program provides hospitals and health systems with the data, tools and knowledge needed to more efficiently address physician compensation and related compliance matters. The Physician FMV Program builds internal capacity, saves time and money, and most importantly, helps promote compliance with Stark, Anti-Kickback and IRS regulations governing hospital-physician financial relationships.

Benefits

- Elevated compliance and greater consistency across physician contracts
- Significant time savings
- Immediate return on investment
- Enhanced organizational capacity to address physician compensation, contracting and compliance

Physician FMV Data

- Annual compensation
- Medical directorship
- Unrestricted call
- Compensation per WRVU
- 90th percentile references
- Collections based compensation data

Reports

- Generate tailored physician FMV reports for individual physician relationships

Tools

- Track all physician arrangements and payment terms
- Blended call estimator calculator
- Productivity based compensation calculator
- Commercial reasonableness checklist

Access

- Access physician FMV data anywhere with an internet connection
- Research hospital-physician relationships around the country
- Manage access to physician FMV data for others within your organization



Assistive Coding, LLC

Assistive Coding understands providing stellar care and achieving optimal reimbursement starts with point-of-care documentation and coding. By becoming your adjunct, our goal is to complement existing coding systems with expanded coding capacity, audit, education and process improvement services you need to succeed.



Abstract Coding

We provide specialty expertise, knowledge of changing coding guidelines as well as feedback to providers to ensure better documentation. We help manage the busy times, provide back up when coders are on leave and provide smooth transitions when new physicians are brought into the organization.



Front End Claims Processing

Assistive Coding can assist the existing structure of your organization for claims scrubbing as well as help you develop a coding scrubbing system. Our team can help with back logs and bottle necks, as well as establish a long term solution for your front-end coding needs.



Physician / Staff Education

The feedback loop to providers is probably one of the hardest communication channels to manage. With constant updates to coding and increased regulations regarding documentation, it is essential to keep providers informed. Let our experienced and knowledgeable staff help with the challenges of provider communication and education.

Department Development

Our team can help you more effectively develop and manage the coding department within your organization. We can work with your organization as a trusted partner to help grow the coding department to a new standard of excellence.



Pinnacle Enterprise Risk Consulting Services, LLC

Pinnacle Enterprise Risk Consulting Services (PERCS) offers compliance and internal audit support for providers, hospitals, health systems, academic medical centers and health plans. Our clients have also engaged the team to assist with litigation support and strategy services. Our team consists of a diverse variety of healthcare professionals holding a wide range of certifications in healthcare compliance from HCCA, coding / billing / reimbursement from American Academy of Professional Coders (AAPC) and American Health Information Management Association (AHIMA), risk management / internal audit from the Institute of Internal Auditors (IIA) and Information Systems Audit and Control Association (ISACA), as well as licensed accountants. The team is also supported by nurses and other clinicians providing a medical necessity component to our administrative, investigative and regulatory skillsets. Our team members bring experience 'in the seat' from their careers having served in a variety of positions in healthcare organizations. We believe this provides our unique perspective on consulting. Hands-on experience means realistic and workable improvement recommendations for our clients. We customize project teams to meet our client's very specific needs. ***Our number one goal is to leave our clients in a better position for having worked with us.***

SOME OF OUR REIMBURSEMENT / AUDIT SPECIALTY AREAS INCLUDE:

- ▶ Professional Fee
 - Physician / Non-Physician
 - Teaching Physician Services
 - Durable Medical Equipment
- ▶ Facility Services
 - Inpatient Hospital
 - Outpatient Hospital
 - Emergency Department (ED)
 - Skilled Nursing Facility (SNF)
- ▶ Home Health
- ▶ Hospice
- ▶ Clinical Laboratory / Anatomical Pathology Services
- ▶ Ambulance Services

Compliance Support

- Compliance staffing and interim compliance officer and / or privacy officer services
- Regulatory research support and advisory services
- Develop, advise and execute highly complex and risk-based compliance audits
- Compliance program development / design, implementation and effectiveness reviews
- Identify data compliance (privacy, security and breach) vulnerabilities and develop corrective action plans for resolution.

Litigation Support

- Determine the audit process, scoring methodology, data calculation, or interpretation of regulations of audits performed by government contractor / agency or other consulting firms to identify a defense strategy
- Investigative support and / or audits to determine if a compliance issue exists
- Statistically valid audits and reimbursement analysis for self-disclosure to government agencies
- Payor / provider disputes including reimbursement analysis

Internal Audit Services

- Annual risk assessment and work plan development
- Operational, regulatory, financial and technical internal audit assessments
- Internal audit department co-sourcing arrangements, providing subject matter expertise when internal resources are not budgeted or available

Independent Review Organization (IRO) Services

Serving entities subject to a settlement agreement with the Office of the Inspector General (OIG) in the form of a Corporate Integrity Agreement (CIA) or Integrity Agreement (IA)

- Reviews performed in accordance with Generally Accepted Government Audit Standards, also referred to as The Yellow Book
- Claims testing reviews
- Systems reviews
- Unallowable cost reviews
- Arrangements and focused arrangements reviews



Pinnacle Healthcare Insurance Advisors, LLC

In a healthcare post-reform era where intense consolidation, provider scrutiny, increased regulatory compliance and litigation are at an industry high, comprehensive healthcare risk management and insurance is one of the most important assets for balance sheet protection. Without proper protection, one serious event could impact cash flow, margins, privacy, personnel and brand equity.

Pinnacle Healthcare Insurance Advisors provides insurance, risk management and consulting solutions that can help healthcare providers manage the increasing complexities of the healthcare industry. Our expertise is not limited to insurance and risk management but extends to professionals that span other Pinnacle divisions with technical knowledge in compliance, integration, strategy and valuation.

Target Risks

Physician groups, including: all specialties and areas of practice, medical directors and students.

Facilities and services, including: hospitals, surgery centers, urgent care centers, managed care and accountable care organization, diagnostic / imaging and telehealth, skilled nursing / assisted living / CCRC's memory care, hospice and home health, and life sciences – medical device, biotech and pharmaceutical firms.



PINNACLE
HEALTHCARE INSURANCE
ADVISORS

Insurance & Risk Management Solutions

Professional liability for hospitals, physician groups and other allied healthcare professionals and non-medical risks.

Management liability, including: directors and officers liability, employment practices liability, fiduciary liability, crime and employee dishonesty, kidnap, ransom, extortion, and workplace violence.

Network security / privacy liability (cyber), including: first and third party coverage, digital asset protection and business interruption, extortion and ransomware risks, breach notification to customers, HIPAA exposures - fines and penalties, regulatory coverage, breach solutions such as law firms, IT security and forensic experts, public relations / crisis management, call center and website support, credit monitoring and identity theft restoration services.

Alternative risk financing, including: captive structures including 831(b)s, single parent and group captives, stop-loss and reinsurance, as well as tailored solutions for risk-based contracts.

Business insurance, including: casualty – general liability, business auto, commercial umbrella / excess liability, workers' compensation and employer liability, property – real & business personal property, business interruption / extra expense, builders risk/course of construction, flood, wind and earthquake, and customized physician disability / life solutions.

Transactional risk solutions (M&A), including: representation and warranty coverage, contingent and environmental liability, run-off and tail coverage, loss portfolio transfers, insurance and claims due diligence, buy / sell agreement funding mechanisms, and key person coverage.

Equipment warranty solutions to significantly reduce equipment maintenance contract costs, consolidate and improve tracking enterprise-wide.

Risk Management resources, including: patient safety and loss control, OSHA compliance, continuing education & staff training.

NorthGauge Healthcare Advisors, LLC

NorthGauge Healthcare Advisors offers intelligently designed, practical and efficient physician performance improvement solutions with a focus on physician peer review and medical staff leadership. NorthGauge serves a wide variety of professionals including physician leaders, medical staff professionals, attorneys, risk managers, quality professionals, executive leadership and medical boards. Beyond simply providing the most effective case assessments and delivering clear, concise reports, our comprehensive consultative, educational and other offerings are integral to helping clinical leaders fulfill their responsibility of maximizing clinical quality and safety while reducing risk.

Next Generation Physician Peer Review

NorthGauge takes pride in the trust placed in us by health care professionals from coast to coast. For over a decade, we have worked closely with hospitals, health systems, attorneys, and consultants on a wide variety of peer review matters. We acutely understand that peer review should not be a mechanical process and that you need more than a company who simply sends records to doctors and provides a report. Recognizing that no two engagements are the same and preferences can vary, we listen carefully and take a strategic, consultative, custom approach to every project. Peer review is complex and difficult. Mistakes come at a high price. With the experience and expertise of NorthGauge, high integrity, defensible physician peer review isn't just possible, it's the rule.

Take advantage of the resources of NorthGauge for:

- Physician peer review, focused and on-going
- Standard of care assessment
- Medical necessity
- Fraud and abuse risk assessment, mitigation and defense
- Merger and acquisition due diligence
- Evaluation of employment and contract clinical performance
- Privilege-related challenges
- Fair hearing support
- On-demand peer review education
- Corrective action decision support
- On-going strategic, consultative support
- Conflict resolution

Clinical leadership advisory services

In addition to our physician peer review offerings, we offer on-site and telephone consultation in the following areas:

- Medical staff process improvement and effectiveness
- Physician leadership development and coaching
- Medical staff governance education
- Internal peer review effectiveness
- Credentialing and privileging
- Accreditation and certification
- Performance improvement program development
- Operational assessment and turnaround



Strategy & Operations

- ▶ Alignment & integration
- ▶ Business planning
- ▶ Service line development
- ▶ Cost reduction strategies / supply chain
- ▶ Financial / operational assessments
- ▶ Interim management / leadership development

Physician Compensation Valuation

- ▶ Fair market value opinions for physician arrangements
- ▶ Assessments of commercial reasonableness
- ▶ Physician compensation planning & design
- ▶ Stark & AKS compliance / disclosure support
- ▶ Physician performance analysis & improvement

Business Valuation

- ▶ Mergers & acquisitions
- ▶ Joint venture transaction
- ▶ Buy / sell transactions
- ▶ Financial feasibility / investment analysis
- ▶ Fair value for financial reporting

Medical Practice Advisory Services

- ▶ Ongoing practice management
- ▶ Interim practice management
- ▶ Medical practice leadership coaching

Coding—Audit & Education

- ▶ Physician / provider audit
- ▶ Physician & provider education
- ▶ Coding staff education
- ▶ Coding consulting / business office development
- ▶ Revenue & compliance risk assessments

Physician Fair Market Value (FMV) Program

- ▶ Online system for hospitals to research FMV data & document compensation arrangements
- ▶ Build internal capacity, save time, money & enhance FMV compliance
- ▶ 80+ Physician specialties & multiple arrangement types
- ▶ Licensed by over 200 hospitals

Assistive Coding, LLC

- ▶ Front-end claims processing
- ▶ Abstract coding
- ▶ Physician / staff education
- ▶ Department development

Pinnacle Enterprise Risk Consulting Services, LLC

- ▶ Compliance support
- ▶ Internal audits
- ▶ Litigation support
- ▶ Independent Review Organization (IRO) services

Pinnacle Healthcare Insurance Advisors, LLC

- ▶ Medical professional & management liability
- ▶ Network security & privacy liability (cyber)
- ▶ Transactional risk consulting & insurance
- ▶ Medical equipment warranty solutions
- ▶ Alternative risk financing including captives, stop-loss / reinsurance
- ▶ Physician asset & income protection

NorthGauge Healthcare Advisors, LLC

- ▶ Next generation physician peer review
- ▶ Operational assessment and advisory services
- ▶ Physician executive coaching and development
- ▶ Physician engagement and integration
- ▶ Litigation support
- ▶ Medical staff organization effectiveness



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