Mission
The mission of Qualis Health is to generate, apply and disseminate knowledge to improve the quality of healthcare delivery and health outcomes.

Vision
Qualis Health's vision is to be recognized for leadership, innovation and excellence in improving the health of individuals and populations.

Values
Our work is guided by a set of fundamental values that help us operate in an environment sometimes characterized by competing interests and requirements.
These core values include:
• Integrity and professionalism
• Collaboration
• Stewardship
Although 2016 was a year of considerable uncertainty for the U.S. healthcare system, there was broad consensus about several bedrock issues.

First, many voices hailed the growing momentum towards a payment system that rewards value rather than volume as one solution to manage the rising cost of healthcare.

Second, the focus on quality and safety of care remained a key priority for healthcare providers, payers, policymakers, and the public.

Third, there was widespread recognition in many quarters of the need to redouble efforts to transform healthcare delivery systems to improve patient-centeredness, to advance health equity, and to create linkages between medical care and community resources in order to better address the impact of social determinants of health.

In 2016, Qualis Health enjoyed great success in supporting progress in each of these domains. Our care management services continued to prioritize assuring that patients received high quality care while helping clients act as responsible stewards of healthcare resources. In 2016, we returned savings of nearly a quarter of a billion dollars to public and private sector clients so those funds could be used for those with greatest need. Our healthcare transformation consulting teams helped thousands of patients avoid unnecessary hospital readmissions, and thousands more avoid the adverse consequences of unnecessary medications. And our health information technology consultants provided guidance for implementation and effective use of IT systems for state Medicaid agencies, delivery systems, and physician practices.

In the Report to the Community that follows, we are delighted to share a few examples of how Qualis Health worked with patients, providers, policy makers, and payers to advance healthcare delivery for millions of Americans in 2016.

Jonathan Sugarman, MD, MPH
President & CEO
In partnership with our clients, Qualis Health improves care for millions of Americans every day. We provide award winning utilization management, case management, behavioral health management and care coordination for public and private payers across the country.

Qualis Health strikes the right balance between our clients’ obligations to be stewards of limited resources and providers’ needs to lessen administrative burden so patients get quality care as efficiently as possible. While achieving this, we’ve maintained a high satisfaction record with providers across all of our utilization management services. By the end of 2016, we had transitioned thousands of providers throughout the United States to the use of a powerful web portal that supports our clients’ population health interventions and goals.

In an era of limited healthcare resources, every dollar counts. That’s why results matter. While assuring provision of medically necessary services during 2016, the following was accomplished:

- 238,617 Reviews completed
- 96,367 Hospital days averted
- $248M Saved by our clients

Resulting in a return on investment of $14:1 spent on care management services

Qualis Health Client Savings Snapshot: Advanced Imaging

Over the past several years, a targeted review program for one utilization management client delivered:

- $19M Total savings in imaging costs
- 550% Return on investment

(Savings methodology independently reviewed by Milliman)
Select Care Management Client List

- Alabama Medicaid Agency
- Alaska Department of Health and Social Services, Division of Behavioral Health
- Alaska Department of Health and Social Services, Division of Health Care Services
- Alaska Department of Health and Social Services, Division of Public Assistance
- District of Columbia Department of Health Care Finance
- Idaho Department of Health and Welfare, Division of Medicaid
- New Mexico Human Services Department
- Washington State Department of Labor & Industries
- Washington State Health Care Authority

Any [Qualis Health] representatives I have ever talked to are so friendly and really strive to help you in any way. I love working with this company! — Provider

We appreciate the great collaborative relationship that our facility has with Qualis Health. — Provider
Health Information Technology
Harnessing the Power of Health IT

Technology is central to population health management. Whether assisting physician practices to employ electronic health records or state Medicaid agencies with modernizing their enterprise systems, Qualis Health helps our clients improve care delivery, comply with regulatory requirements, improve accuracy, and increase efficiency of business and clinical operations.

In partnership with Medicaid agencies, Qualis Health provides technical assistance, independent verification and validation, quality assurance, testing support and other project guidance to replace and modernize legacy Medicaid Management Information Systems (MMIS).

Qualis Health has been collaborating with Tuba City Regional Health Care Corporation (TCRHCC) since 2014, assisting the organization with health information system strategy development and leading new system procurement. Most recently, Qualis Health managed procurement of a large health IT package that included an electric health record system for TCRHCC’s hospital and outpatient services.

Qualis Health has made an important contribution in helping [us] to achieve our mission of providing accessible, quality, and compassionate healthcare services.
—Chief Medical Officer, Community Health Center

Select Health IT Client List
• Alaska Department of Health and Social Services, Division of Health Care Services
• Alaska Department of Health and Social Services, Division of Public Assistance
• Alaska Department of Health and Social Services, Division of Senior and Disabilities Services
• Oklahoma Health Care Authority
• State of Connecticut
• Trinity County, Department of Behavioral Health Services
• Tuba City Regional Health Care Corporation
The Qualis Health team has truly been a partner. Having an outside expert come in and help us improve our workflow really helped us get to where we are today.

—Heath Information Manager, Community Health Center
System Redesign and Transformation
Innovations in Care for Healthier Populations

As Americans demand greater quality, value, and accountability from the healthcare system, Qualis Health's experts are fostering change in healthcare delivery to achieve better patient care, better population health, and lower costs.

Qualis Health partners with healthcare providers, patients and community organizations on data-driven systemic **quality improvement initiatives**, increasing patient safety, reducing harm, eliminating healthcare disparities, and engaging patients and their families in care improvements. Technical assistance programs guide physician practices to prepare for **value-based payment** reform. Special innovation projects target specific healthcare challenges, such as addressing social determinants of health and enhancing provider–community connections. **External quality review** services assure quality and value for Medicaid populations.

Healthcare practices and organizations across the country are helped along a proven path toward **practice transformation** with Qualis Health's expertise. Clinical and administrative processes are redesigned to increase satisfaction among clinicians and staff, boost operational efficiency, and improve quality of care, including integrating behavioral health and oral health in primary care practice.

Having Qualis Health for practice transformation support has made a real difference for our patients and for our team—and we couldn’t have done it without them. The program gave us the tools, guidance and support we needed to achieve our goals.

—Clinic Administrator

We value Qualis Health as a partner in healthcare quality improvement. Together, we’ve worked to reduce readmissions, reduce healthcare associated infections, and use value-based purchasing data to guide improvement efforts and reduce cost.

—Hospital President and CEO

<table>
<thead>
<tr>
<th>3,000</th>
<th>1,900</th>
<th>More than 1,100 practices in 25 states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital readmissions avoided (Medicare care coordination community projects across Idaho and Washington)</td>
<td>Nursing home residents avoided antipsychotic medications (Nursing Home Quality Care Collaborative in 180 Idaho/Washington skilled nursing facilities)</td>
<td>have used our evidence-based framework for practice transformation</td>
</tr>
</tbody>
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**System Redesign and Transformation**

**Innovations in Care for Healthier Populations**

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—Hospital President and CEO
Select System Redesign and Transformation Client List

- The Agency for Healthcare Research and Quality and the MacColl Center for Health Care Innovation at the Kaiser Permanente Washington Health Research Institute (Healthy Hearts Northwest)
- Bill & Melinda Gates Foundation
- Centers for Medicare & Medicaid Services (Medicare Quality Improvement Organization Program)
- Delta Dental
- Harvard Medical School Center for Primary Care
- Idaho Department of Health and Welfare, Division of Medicaid (External Quality Review)
- L.A. Care Health Plan
- REACH Healthcare Foundation
- Washington State Department of Health (Practice Transformation Support Hub)
- Washington State Department of Social and Health Services, Division of Behavioral Health and Recovery (External Quality Review)
- Washington State Health Care Authority (External Quality Review)
## Financials

### Consolidated Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (M)</th>
</tr>
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<tbody>
<tr>
<td>2011</td>
<td>$34.6</td>
</tr>
<tr>
<td>2012</td>
<td>$33.9</td>
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<tr>
<td>2013</td>
<td>$35.2</td>
</tr>
<tr>
<td>2014</td>
<td>$34.2</td>
</tr>
<tr>
<td>2015</td>
<td>$35.1</td>
</tr>
<tr>
<td>2016</td>
<td>$39.2</td>
</tr>
</tbody>
</table>

### Revenue by Business Product

- Care Management: 64%
- Health Information Technology: 9%
- System Redesign and Transformation: 27%
- Other Public Payers: 3%

### Revenue by Market Segment

- Medicaid: 55%
- Commercial: 21%
- Other Public Payers: 12%
- Foundation/Nonprofit: 9%
- Medicare: 3%
Leadership

Jonathan Sugarman, MD, MPH
President & CEO

Marci Scott-Weis, RN, MPH, CCM
Chief Operating Officer

David Chamberlain, CHCIO
Chief Information Officer &
Chief Information Security Officer

Foster C. “Bud” Beall Jr., MA
Vice President, Consulting Services
Outlook Associates

Sharon Gorman, SPHR, SHRM-SCP
Vice President, Human Resources

Cara Robinson, RN, BSN, CCM
Vice President, Care Management

John Sparks, MD
Senior Medical Director

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Thomas K. Varghese, Jr., MD, MS, FACS

Thomas G. Wadsworth, PharmD, BCPS

List current as of August 1, 2017