



U.S. Anesthesia Partners (USAP) is a physician-owned organization dedicated to providing quality anesthesia services. Its anesthesiologists, certified registered nurse anesthetists, and certified anesthesiologist assistants work in more than 700 inpatient and outpatient facilities across the country, providing anesthesia care for more than 2 million patient cases annually.

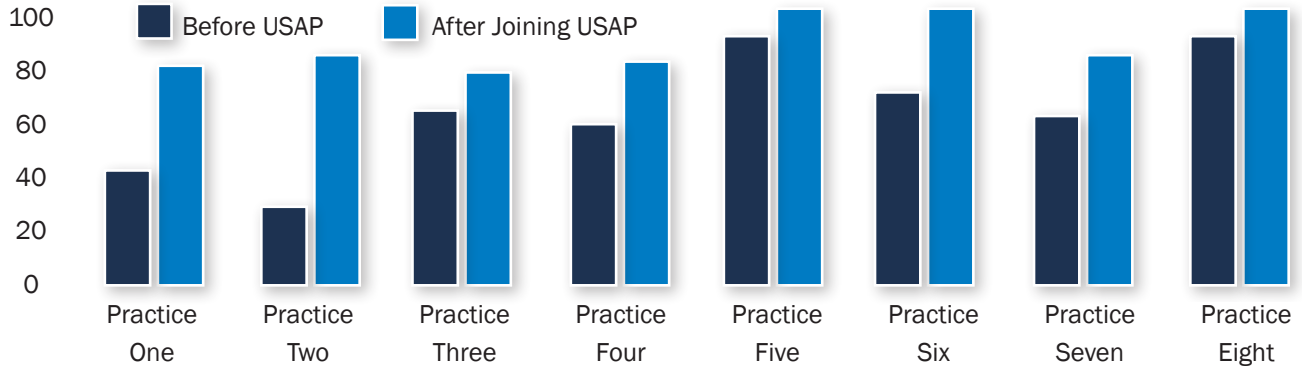
Private, independent anesthesia practices must cope with increased pay-for-performance requirements, fragmented locations of service, growing numbers of procedures, and a serious imbalance in the supply and demand for clinicians. USAP preserves the most beneficial aspects of private practice such as local governance, clinical autonomy, and physician ownership while leveraging the knowledge, care delivery process expertise, recruiting capability, revenue cycle management, operational efficiency, and, importantly, access to capital of a larger organization.

Measures of Quality:

USAP is a federally designated Patient Safety Organization, which means it collects and analyzes data voluntarily reported by health-care providers to help improve patient safety and healthcare quality. Its national footprint allows it to track and record process data and clinical outcome data from more than 2 million cases each year. That data is translated into meaningful information that USAP clinicians use in their daily care of patients. As a result, USAP has developed and deployed effective clinical protocols in the perioperative, operative, and postoperative domains.

USAP is routinely ranked in the 90th percentile of national performance under the Merit-Based Incentive Payment System (MIPS). All of its affiliated regional practices qualified for bonus payments in 2021 (the most recent year).

MIPS Scores Before and After Joining USAP

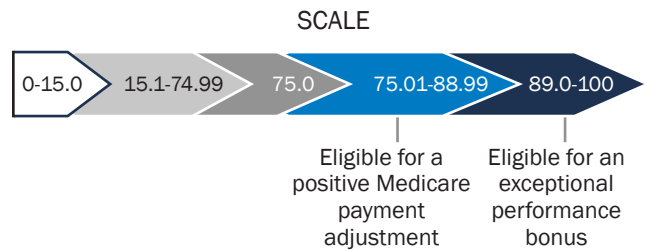


These protocols enable USAP to provide safer, more efficient care. USAP’s results are benchmarked against national databases such as the National Anesthesia Clinical Outcomes Registry (NACOR) and the Merit-based Incentive Payment System (MIPS). The USAP quality assurance program provides for and supports a feedback loop, which embeds quality into the culture of USAP. The USAP quality program is mature, and all groups joining USAP adopt its principles and procedures related to high-quality clinical delivery. To help ensure its culture of quality and safety, USAP has adopted a process in which prominent national anesthesiologists review the quality program. This process includes multiple stakeholder interviews, review of the data, and quality processes and procedures. USAP invited Dr. Roberta Hines, Chair of the Dartmouth-Hitchcock Board, Chair Emeritus of the Yale School of Medicine Department of Anesthesia, and Chair Emeritus of Anesthesia at Yale New Haven Hospital, to perform an external review. Here is an excerpt from her report: “There are robust systems in place for disseminating new technology alerts, best practice updates and a well-integrated incident and reporting system. The quality structure at USAP is robust, contemporary, and clearly sets the standard for quality programs at the national level.”

Average USAP 2021 MIPS Performance Scores

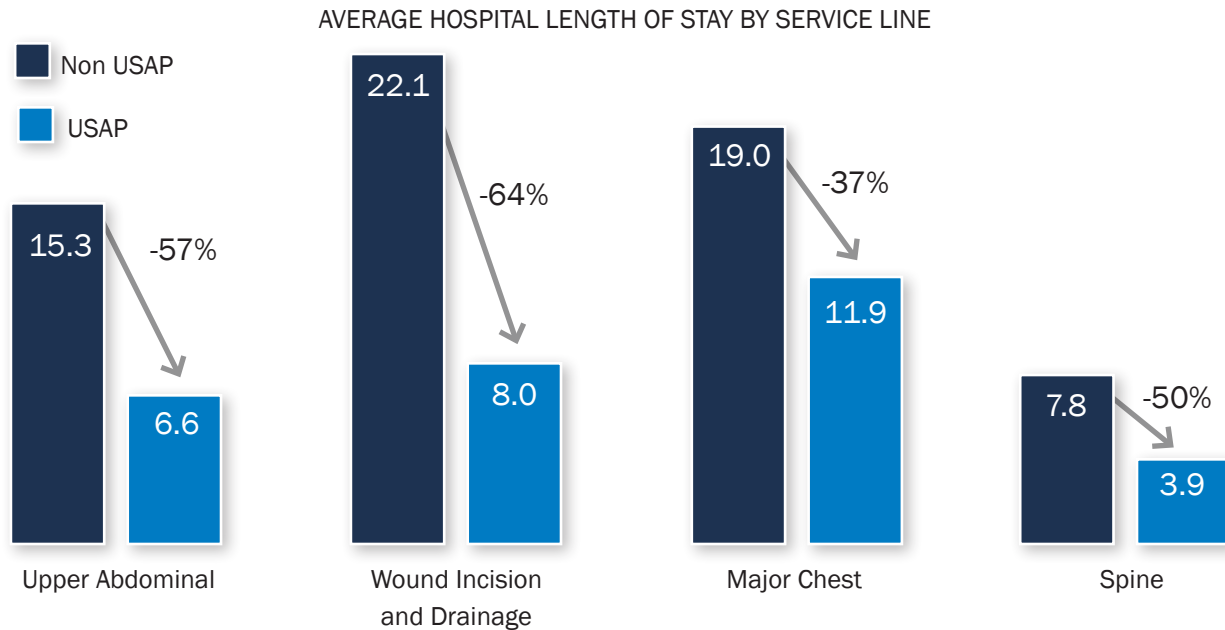
91.395

Across platforms in Arizona, Colorado, D.C., Florida, Kansas, Maryland, Nevada, Oklahoma, Texas, Washington



In addition to a robust quality assurance process, USAP delivers performance scorecards to hospital and system partners quarterly. These cover dozens of clinical, operational, and patient satisfaction metrics. USAP is routinely ranked in the 90th percentile of national performance under the MIPS. All of its affiliated regional practices qualified for bonus payment in 2021 (the most recent year). In 2021, every USAP practice earned a positive threshold score under

USAP Provides Lower Length of Stay, Fewer Complications, Safer Pain Management



MIPS and received a positive Medicare payment adjustment based on its composite quality performance. USAP also is at the forefront of value-based payor contracting in anesthesia, which means it puts its reimbursements at risk unless it meets or exceeds relevant quality metrics.

USAP forms partnerships with high-quality practices. And its partners continue to improve, as demonstrated by higher MIPS scores after the practices join USAP.

USAP's big-data infrastructure and its granular reviews of individual cases contribute to the company's evidence-based improvements in clinical care. As a result:

- USAP's rates of serious complications, including reintubation, cardiac arrest, and perioperative mortality, are meaningfully lower than the NACOR national average. Cardiac arrest rates are

three times less than the NACOR benchmark, reintubation rates are 13 times lower, and the perioperative mortality rate is 12 per thousand while the NACOR average is 16 per thousand.

- The average hospital length of stay for USAP patients is 10 percent lower than non-USAP patients even after adjusting for age, acuity, and case mix.
- For total joint replacements (a key cost driver for health plans), the average hospital length of stay is 37 percent lower for USAP patients with comorbidities and 25 percent lower for other patients.
- In a study with a large national health system, USAP clinicians had a 60 percent reduction in inpatient opioid use for total joint replacement patients and a 75 percent reduction in post-surgical opioid use.
- USAP's protocols for enhanced recovery after

surgery have resulted in a 44 percent reduction in all-cause readmissions for colorectal patients.

USAP anesthesiologists work with surgical and hospital partners to implement evidence-based best practices before, during, and after major surgical procedures. These enhanced recovery protocols enable patients to drink, eat, and ambulate early after emerging from anesthesia while requiring lower doses of opioid pain medication, experiencing fewer complications and side effects, and leaving the hospital sooner. This translates into millions of dollars of savings for our hospital partners.

This focus on clinical excellence and outcomes has led to outstanding patient experience. USAP receives more than 30,000 completed patient satisfaction surveys per month. Over 96 percent of USAP patients rate their experience as “good” or “great,” which exceeds national benchmarks. About 95 percent of surgeon partners agree or strongly agree that they have trust and confidence in USAP.

USAP is committed to continuous improvement.

USAP and a hospital within the Ascension healthcare system partnered to develop and pilot care protocols to reduce opioid dependencies after surgical care.

Key achievements included:

- Reduction in overall usage during surgical recovery periods, including a 60 percent reduction in inpatient opioid use for total joint procedures and a 75 percent reduction in post-surgical opioid use for the same population
- Development and implementation of therapeutic solutions to postoperative pain management
- Presentations to the U.S. government’s opioid taskforce on leading practices that were developed

- \$2 million of direct savings through reduced opioid utilization

The Ascension pilot partnership is working to scale these results across its large network of partner sites.

Access and Cost Benefits:

USAP has an in-network contracting strategy that results in a lower cost of care to patients and has led to its being in-network with every major health plan in every location it serves. Over 94 percent of its commercial patient cases each year are in-network. USAP participates in all government health programs. It also provides care for every patient at its facilities regardless of the patient’s insurance status or ability to pay.

This approach facilitates equitable outcomes in care for all patients. USAP has dedicated Patient Advocacy teams that help patients make informed decisions about insurance coverage and reimbursements. USAP’s customer service teams answer more than 300,000 patient calls each year. USAP annually donates over \$10 million in free charity care. It also offers financial assistance programs for patients in need.

The company uses automation technology that ensures its claims are as accurate as possible for both commercial and government payors. This has driven significant value for USAP’s practices and helped offset other cost increases by reducing the cost per claim by more than 21 percent and improved net revenue yield by 5 percent over the past five years, ensuring that physicians are appropriately and fairly paid for the services they provide.

Governance:

At USAP, physicians control all aspects of clinical care. Clinical autonomy and physician governance rights are contractually guaranteed. Its practices are

true physician partnerships. Physicians also own roughly 50 percent of USAP and are heavily represented on the Board of Directors. In other words, USAP is physician-centric and physician-led at every level.

This distinguishes USAP from many other practice management companies whose physicians are “employed.” When practices affiliate with USAP, the practice partners remain partners, retaining the vast majority of their practice’s net revenue. Each USAP practice has its own Clinical Governance Board (CGB) that is composed of local USAP physicians and structured like a local Board of Directors, with human resources, quality, staffing, and finance committees. These committees are made up of physicians and support their CGBs. Each CGB retains all authority around the practice of medicine and related clinical operations, including the hiring of clinicians, quality oversight, clinical standards, and the approval of hospital and payor contracts.

USAP physicians are the largest single group of USAP shareholders, and the largest single group represented on the USAP Board of Directors. The company’s governance model gives its physician practices responsibility for decisions that affect financial performance and partner compensation. USAP retains a minority ownership of practice economics, allowing its physician partners to make the crucial operational decisions and realize the greatest impact of those decisions.

Investments:

USAP has invested in and deployed technology to provide HIPAA Compliant Quality and Charge capture systems for its providers. These applications dramatically reduce the risk associated with earlier processes of batching, couriering, and scanning

patient records. It also improves communication between providers and increases patient and provider satisfaction by significantly streamlining the billing and quality collection process.

The same data infrastructure that fuels exceptional clinical outcomes enables USAP to run highly efficient operating rooms and nonoperating anesthetic sites. USAP works with hundreds of hospitals to optimize staffing, scheduling, and operating room throughput. USAP’s tools can diagnose issues with start times, turnovers, flip rooms, blocks, and surgeon accountability. USAP’s proprietary operating room operation tool, known as CORE, reports on operating room start time, daily case volume, and clinician utilization throughout the day. CORE’s on-demand data review and visualization efficiently increases capacity and reduces costs. A recent hospital case study showed a 5 percent reduction in gap time, 59 percent increase in care team deployment, 16 percent increase in care team utilization, and 9 percent increase in the care team ratio.

In addition, USAP has invested \$10 million in a centralized data warehouse that allows it to aggregate patient quality data, operational efficiency data, and outcomes as part of its national Clinical Quality Program. This enables its practices to have a comprehensive, integrated view of operational and clinical performance.

USAP’s proprietary operational benchmarking tool, known as PELICAN, provides a summary of key metrics. It allows benchmarking across such variables as facility size, health system, and region. It also compares a facility’s gap time over specific periods or against other facilities in a region. This allows USAP’s hospital systems to evaluate and track the impact of operational changes.

USAP invests millions of dollars each year in clinical and leadership training. Clinical protocols and case studies are documented, curated, and securely available to clinicians via their mobile devices, as is the ability to interact via peer information exchange.

The USAP and Baylor University Medical Center Regional Anesthesia Block Symposium is an example of collaboration and training. Held over two days, this event provides USAP and guest clinicians with practical training and experience in the art of administering regional anesthesia blocks. USAP also invests in an annual leadership conference with tracks for various levels and types of clinical leaders.

USAP affiliates with half a dozen anesthesiology residencies and 23 nurse anesthesia training programs across the United States. It provides clinical training sites for hundreds of students, residents, and fellows every year, among the most of any anesthesia practice in the United States. USAP is the only organization in the country that offers an independent conference — the USAP SRNA Leadership Conference — specifically designed for future nurse anesthesia leaders.

USAP has invested significant capital to integrate and standardize technology platforms used by, and in support of, its physician practices. These provide the highest level of claim accuracy and patient claim processing efficiency in the industry. That lowers costs to its commercial payors, increases their responsiveness to patients, and has a positive effect on overall patient experience.

USAP physicians also invest time in public service. They serve in state legislatures, on state medical Boards, and as officers of state medical associations. They are on technical-expert panels for the

White House, the Centers for Medicare & Medicaid Services, and the National Quality Forum. USAP officials include several current and former leaders of the American Society of Anesthesiologists, the American Board of Anesthesiology, and anesthesia subspecialty societies and interest groups. USAP physicians are committed to the advancement of anesthesiology.

Academic Collaboration and Research:

USAP is engaged in academic research with medical schools around the country, creating a legacy in anesthesia that exceeds our daily clinical presence. USAP provides validated research data to multiple academic partners, including researchers at:

- Harvard University
- Columbia University
- Howard University College of Medicine
- The University of Chicago
- Perelman School of Medicine at the University of Pennsylvania
- Texas A&M School of Medicine

USAP is working with hospital partners to launch new anesthesiology training programs at Advent Health Orlando, Baylor University Medical Center in Dallas, Rose and Porter Hospitals in Denver, and Houston Methodist Hospital.

USAP receives research grant funding from the Donaghue Foundation for an interventional quality improvement collaboration with the University of Pennsylvania, targeted at improved brain health in older patients receiving general anesthesia.