

**The Pinnacle Group** - Simplify Success in Healthcare  
Valuation. Compensation. Integration.

2011 Firm Overview



At the Pinnacle Group, our mission is to simplify success in healthcare. We build lasting partnerships with our clients by helping them maximize their business performance through a focus on innovation, service excellence, creativity, team work and value-added results.

The Pinnacle Group  
9085 E. Mineral Circle,  
Suite 110  
Centennial, CO 80112  
Contact: 303.801.0111

Simplify  
Success In



## The Pinnacle Group provides a range of strategic, financial and operational services

*Our team helps hospitals, health systems, physician groups, and other healthcare organizations improve their clinical and business performance. By building relationships and championing innovation, we've created a dynamic set of services backed by a powerful team to help you solve the most complex challenges.*

### Healthcare Consulting



Pinnacle Healthcare Consulting is a nationally recognized leader in business valuation, physician compensation, performance improvement and compliance support. We solve complex challenges by applying real-world expertise, industry insight, and innovative thinking to create dramatic results for our clients and partners.

While we specialize in valuation services and financial analysis, our broad range of experience enables us to take on the most complex consulting engagements across a breadth of industry segments (planning, market research, community need assessment, etc.).

### Physician FMV



The Physician Fair Market Value (FMV) Program dramatically reduces the complexity of establishing physician fair market value compensation. It also reduces the need for third-party consulting reviews (**average ROI is 300%**). Our program gives you more control over the process by providing powerful tools and proprietary information to help you make defensible decisions about physician relationships. The Program is available in several formats and is licensed to hospitals on an annual basis. Customized Program solutions can be designed to meet unique organizational needs.

### Physician Resource Group

The Pinnacle Physician Resource Group understands the unique challenges of medical offices and how to bring clear direction, operational efficiency and enhanced business performance to today's practices. We provide experienced business solutions of all sizes and specialties, including hospital-owned clinics.

### Pinnacle Medical Billing

Pinnacle Medical Billing (PMB) is a division of the Pinnacle Physician Resource Group and Functions as a traditional full-service medical billing company. PMB offers physicians a cost-effective alternative to in-house billing supported by a team of revenue cycle management and technology professionals. PMB leverages the latest software applications, billing methodologies and human expertise to guarantee performance and deliver high quality customer service.

### CORE, LLC.

CORE, LLC. helps physicians find, own and maintain real estate for their practices. We combine our experience in real estate with our network of partners, to offer a range of services for physicians who understand that ownership is the most cost effective way to run a business. You can count on expert advice and support in choosing a space, financing the purchase, designing / remodeling, and property management. We're flexible with compensation arrangements and ready to help you take your business to the next level.

The  
Pinnacle  
Group  
Services

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<p>Events</p>		<p>September 25-27th, 2011                  AHLA &amp; HCCA                  Fraud &amp; Compliance Forum                  BALTIMORE, MD</p>
	<p>Have an event that we should attend?                  - Please let us know!                  (303)801-0123  <a href="mailto:kberkey@pinnaclegroupphc.com">kberkey@pinnaclegroupphc.com</a></p> <p>September 16th, 2011                  Health Care Compliance Association                  Regional Conference - UPPER MIDWEST                  MINNEAPOLIS, MN</p>	<p>October 28th, 2011                  Health Care Compliance Association                  Regional Conference - MOUNTAIN                  DENVER, CO</p> <p>December 2nd, 2011                  Health Care Compliance Association                  Regional Conference - SOUTH CENTRAL                  NASHVILLE, TN</p>



**Executive Team**

**Leadership Roles and Divisions:**

- Dave White - Executive Director, Healthcare Consulting
- Chris Rehm - Executive Director, Physician Resources
- Dan Stech - Executive Director, Physician FMV
- Bill Johnson - Executive Director, Financial Operations
- Jim Connors - Director, Valuation Services

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**Consultants & Analysts**

**Healthcare Consulting & Physician FMV:**

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- Kelly McFadden [kmcfadden@pinnaclegroupphc.com](mailto:kmcfadden@pinnaclegroupphc.com)
- Drew Hoffman [dhoffman@pinnaclegroupphc.com](mailto:dhoffman@pinnaclegroupphc.com)

**Business Valuation Services:**

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**Revenue & Coding:**

- Michele Olivier [molivier@pinnaclegroupphc.com](mailto:molivier@pinnaclegroupphc.com)



**Marketing, Client Development, Financial Management & Additional Support Services**

Please feel free to contact us at any time (303) 801-0111

- Kimberly Berkey [kberkey@pinnaclegroupphc.com](mailto:kberkey@pinnaclegroupphc.com)
- Emily Killingsworth [ekillingsworth@pinnaclegroupphc.com](mailto:ekillingsworth@pinnaclegroupphc.com)

**The Pinnacle Group - Simplify Success in Healthcare**  
 Valuation. Compensation. Integration.

The Pinnacle Group provides a range of strategic, financial and operational services for hospitals, health systems, physician groups and other healthcare organizations to improve clinical and business performance.

Pinnacle is a nationally recognized leader in business valuation, physician compensation, performance improvement and compliance support. The firm also provides physician practice management, medical billing / coding, and technology / integration support services. By building relationships and championing innovation, we've created dynamic services, backed by a powerful team to help you solve the most complex challenges.

**PINNACLE CONTACTS:**

For more information related to The Pinnacle Group please visit:  
[www.pinnaclegroupphc.com](http://www.pinnaclegroupphc.com)

Or contact Pinnacle's Marketing & Client Development team at:

p: (303) 801-0123  
 e: [kberkey@pinnaclegroupphc.com](mailto:kberkey@pinnaclegroupphc.com)

# FMV Experience and Representative Projects

*Pinnacle's experience in technical and strategic consulting is deep, diverse and centers on physician services. More precisely, we focus on the value of physician services to organizations such as hospitals and health systems. Thus, engagements range from FMV studies and valuation to the design of compensation programs and the management of physician practices. With regard to valuation, representative engagements range from classic business valuations to one-of-a-kind valuations of highly specialized or unique assets. Although the firm's concentration is in healthcare, Pinnacle consultants have extensive experience in other industries. This experience base enhances firm knowledge, ensures observation of accepted methodologies and strengthens client value.*

*Pinnacle performs well over 60 business valuations and exceeds 300 fair market value reviews / opinions per year. Pinnacle has also devised both commercial applications and client specific tools to help streamline valuation processes/efficiency, reduce costs and promote consistency/compliance. Our client base includes, but is not limited to, hospital and health systems, pharmaceutical and device companies, large physician and other provider organizations.*



## Business Valuation

Representative business valuation engagements include physician practices and valuation of dialysis centers, vascular access centers, ambulatory surgery centers, endoscopy centers and imaging center. In addition to valuation of operating businesses, Pinnacle also performs valuation of intangible assets such as non-competition agreements, customer relationships, a business' assembled workforce and proprietary technology, tangible assets including accounts receivable and fixed assets, and options to buy and sell business interests, specific assets and securities.

## Medical Director Fair Market Value Assessment

Pinnacle supports hundreds of hospital and health system clients with their provider arrangements. Pinnacle profiles market and published compensation approaches and often includes the physician and management in the process in order to accurately frame the expectations of the parties and better understand operational, clinical and strategic factors which may have an impact on the arrangement.

## Other Representative Fair Market Value Assessments

When needed, Pinnacle has the broader operational and industry perspective to assist clients with unique arrangements including options analysis, non-compete value analysis, purchase price allocation/goodwill impairment testing for financial reporting, right of first refusal analysis, Certificate of Need analysis, management services fair market value, disease management pricing, clinical trials budget tools, data pricing analysis with supporting policies/procedures, block lease arrangements, under-arrangement restructuring, etc. Pinnacle has a proven track record of providing innovative analyses and framing the findings in a logical and easy to interpret format to meet the most demanding and/or unique challenges our clients encounter.

Simplify success

in valuation &  
financial services.



# Healthcare Consulting Services



## Fair Market Value (FMV) Opinions

Pinnacle Healthcare Consulting performs FMV reviews of over 300 physician service arrangements per year for clients that range from large, multi-state health systems to independent physician practices. Our extensive database of hospital-physician relationships can be quickly tapped to evaluate a range of client transaction needs, speeding up the physician contracting process and eliminating unnecessary compliance costs.

## Business and Strategic Valuation Services

Pinnacle Healthcare Consulting specializes in healthcare business valuations for buy-sell and joint venture (JV) transactions. We provide valuation services that support transactional healthcare fair market value (FMV) requirements with a process that includes:

- Detailed situational assessments
- In-depth fact-finding and interviews
- Market analysis
- Extensive financial modeling
- Rigorous valuation methodologies

Our knowledge of the broader healthcare industry adds valuable insight to the risks and benefits of either a sale or acquisition. We ensure that you enter a transaction fully informed.

## Physician Compensation / Stark Compliance

Stark Law and Anti-kickback compliance are some of the most challenging issues in physician compensation today. Pinnacle Healthcare Consulting can conduct a full audit

of your billing and compensation process to determine the effectiveness of your Medicare and IRS compliance efforts. We are adept at working with counsel and financial managers to identify problem areas and create compliant billing, compensation and compliance solutions. Our consultants have also supported a number of Stark self-disclosure audits to assist hospital management and counsel in conducting internal investigations and preparing reports to government authorities.

## Physician Compensation / Productivity 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.

## Health Plan Contract Analysis/Negotiation

Make sure your payer contracts support your business and financial goals. Pinnacle Healthcare Consulting will profile your clinical activities and ensure proper coding to establish equitable contract terms and management systems. It's a crucial part of bottom line success.

## Physician Practice Assessment

Master the key operational, financial and strategic systems needed for physician practice success. Pinnacle Healthcare Consulting works for hospital and physician practice managers. We evaluate processes and performance against industry best practices and recommend business-building improvements.

EXAMPLES OF OUR  
RECENT BUSINESS  
VALUATION  
EXPERIENCE RELATED  
TO PHYSICIAN  
PRACTICE INCLUDE:

Neurology

Cardiovascular Surgery

OB/GYN

Internal Medicine

Oncology

## Billing / Coding Audits

Effective billing/coding practices is important to support development, ongoing operations and transactions. Billing and coding audits can support and help better prepare you when it comes time to make informed decisions.

# Healthcare Consulting Services (continued)



## **Hospital/Physician Strategy Development**

The rapidly changing healthcare environment is again pushing hospitals and physicians to streamline care delivery methods. Pinnacle helps devise strategies and operational solutions to create high performing, integrated organizations. Importantly, we have the ability to partner with health systems to create and manage the necessary infrastructure to successfully operate integrated practices.

## **Market Research and Strategic Analysis**

A successful healthcare business needs clear, detailed strategies and deep knowledge of your specific business environment. We help hospitals and physician practices develop innovative and sound solutions that improve performance and business development.

## **Financial Analysis and Planning**

Pinnacle Healthcare Consulting brings a balanced perspective to business valuation, needs assessments, and feasibility in all financial transactions involving physician practices or ancillary clinics. We have extensive experience in dialysis clinics but can offer our real-world expertise to anyone looking to add physicians, acquire practices, create unique professional service arrangements and more.

## **Group Formation and Mergers**

Launching a group is a complex process but one we've completed many times. Our proven project management plan helps create or integrate individual practices, from a smaller group to a larger one, or add physicians to hospital integration initiatives. Additionally, once we've helped create your

## Examples of Outpatient Centers

- Dialysis Clinics
- Vascular Access Centers
- Ambulatory Surgery Centers
- Endoscopy Centers
- Imaging Centers

group, we can provide on-going practice management services to get your doors open as quickly as possible.

## **Healthcare Association Strategy and Analysis**

Pinnacle Healthcare Consulting partners currently sit on the board or advisory panels of several healthcare associations and have worked internally at some leading organizations. If your association needs experienced guidance on membership, management, or strategic issues, we can help with project engagements, executive retreats, industry research and more.

## **New Physician/New Manager Education**

Pinnacle helps physicians and staff better understand the business of healthcare. In fact, we regularly teach residents at hospitals, demonstrating effective management techniques for running successful practices. If you have new hires, position them to succeed with our training programs.

## **Fair Value for Financial Reporting (FAS Compliance)**

Pinnacle provides a potent combination of in-depth healthcare industry knowledge with a strong understanding of the nuances and best practices surrounding fair value in a GAAP reporting environment, including purchase price allocations, intangible asset and goodwill impairment testing, not-for profit entities, and other assets, liabilities and equity securities.

## **Medical Staff Development Planning**

As hospitals move to employ more physicians, compete for key physician resources and respond to community needs, strategic staff planning will be critical. An evidence-based medical staff development plan prepared by Pinnacle's team of expert consultants can help hospitals and health systems understand their local physician landscape and align service line development and strategic objectives with physician recruitment. We blend quantitative and qualitative approaches to provide you with targeted recommendations for developing your medical staff.

## **Community Needs Assessment**

Pinnacle can provide our clients with the insight and documentation they need to minimize exposure to regulatory risk and support financial assistance for physician recruitment as either an individual project or strategic compliment to other services. We have the knowledge, experience and expertise to perform a detailed analysis of physician supply and demand on a specialty specific basis to meet your regulatory compliance needs.

# Physician FMV PRESENCE

Get  
**CONNECTED**  
to Our  
Network



Saving you time and money by instantly securing Physician Fair Market Value opinions for 70+ physician specialties!

The Pinnacle FMV Network is our national clearinghouse for data on hospital and physician relationships.

Our proprietary data can help you with compensation reviews, FMV determinations, strategic planning and development activities that comply with antitrust considerations.

**Don't delay, contact us to schedule a demo!**  
**- 303.801.0123 -**



## Physician FMV Presence - Five Years & Going Strong

*We are proud to celebrate the Pinnacle Physician FMV Program's fifth year and would like to invite you to experience the benefits the Program has to offer as we continue to improve our analytical tools and data robustness.*

Over 180 hospitals and healthcare organizations have found that the Physician FMV Program empowers users to make smart and supportable decisions with regard to physician compensation and fair market value matters. Our Program's key benefits include:

- Elevated compliance through broader application of FMV payment terms and greater consistency across physician contracts

- Significant time savings - where resources can be redirected to other matters (strategy, operations, etc.)

- Immediate return on investment after just two to three uses (i.e., avoiding fees for focused consulting reports)

- Enhanced organizational capacity to address physician compensation, contracting and compliance

Furthermore, program support is provided by Pinnacle Healthcare Consulting, which includes: training, ongoing coaching, technical support and focused consulting (if necessary). We look forward to the possible opportunity to work with you in the coming year!

Daniel P. Stech

Executive Director, Products & Innovation

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## Q&A



**You Ask, We Answer**

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# Physician FMV Program



*Determining appropriate and compliant physician salaries can be complicated. Diverse factors like the Stark Law and inconsistent internal payment policies can make it difficult to confidently approach physician compensation negotiations. Until now.*

*The Pinnacle Fair Market Value (FMV) program dramatically reduces the complexity of establishing physician fair market value. It also reduces the need for third-party consulting reviews (average ROI is 300%). Our program gives you more control over the process by providing powerful tools and proprietary information to help you make defensible decisions about physician relationships.*

## **Fair Market Value (FMV) Online**



New online tool! Save thousands in consulting fees by instantly securing Physician Fair Market Value opinions for 60+ physician specialties. Get instant report letters: search our proprietary data base, and much much more.



## **Fair Market Value (FMV) Network**

The Physician FMV Network is our national clearinghouse for data on hospital and physician relationships. Participating hospitals submit data on a range of professional service arrangements from employment and medical directorships to joint ventures and stipend payments. Data are validated, blinded and then offered through the network database.

You can access our network to gather real-time information about comparable arrangements at other hospitals and systems. Our proprietary data can help you with reviews, FMV determinations, strategic planning and development activities that comply with antitrust considerations.

## **Fair Market Value (FMV) Workbook**

Our proprietary Workbook profiles FMV payment ranges for general employment, medical directorships and call



arrangements for 60+ physician specialties. Use the data in the workbook to establish compensation terms, negotiate contracts and support compliance efforts while eliminating the need for costly consulting reviews. All published FMV payment ranges constitute our third-party opinion.

## **Fair Market Value (FMV) Consulting**

If your organization has a complex and sensitive arrangement for which data is not readily available, such as highly specialized physicians, one-of-a-kind clinical programs or recruiting challenges, Pinnacle can provide analysis and insight through our expert consultative and coaching services. Our consulting engagements include rigorous review, analysis, and close coordination with hospital staff and legal counsel. The result is a focused opinion of fair market value along with an evaluation of related strategic issues.

## **Fair Market Value (FMV) Training/Coaching**

The Pinnacle Fair Market Value program was created to make your job easier. As part of the program, we include in-depth training in our methods so your internal staff can begin to evaluate commercially reasonable and compliant compensation arrangements on their own. In addition to our training session, your staff can also take advantage of coaching while they get comfortable using our resources. The ultimate goal is FMV self-sufficiency for your staff backed by our industry-leading data and tools.



*The Pinnacle Fair Market Value program is endorsed by VHA Mountain States and by the Washington and Oregon Hospital Associations.*

# Pinnacle Healthcare Consulting

## Business Valuation Services



*Specializing in business valuation services for  
healthcare entities.*



### Fair Market Value (FMV) Determination For:

- Buy / Sell Transactions
- Joint Venture Transactions
- Litigation Support & Expert Witness
- Mergers & Acquisitions
- Divestitures
- Special Consulting / Due Diligence

### Fair Value for Financial Reporting:

- Purchase Price Allocations
- Intangible Asset & Goodwill Impairment Testing
- Equity Securities
- Off-balance Sheet Transactions

Pinnacle is nationally recognized for its innovative ideas, precision & execution, based on business valuation experience of:

- Hospitals (Non-profit, Specialty)
- Diagnostic Imaging Centers
- Ambulatory Surgery Centers
- Long Term Care Facilities
- Dialysis Centers
- Physician Practices
- Rehab Facilities
- Skilled Nursing Facilities

Contact: 303.801.0128 or [jconnors@pinnaclegroupinc.com](mailto:jconnors@pinnaclegroupinc.com) for more information or visit [www.pinnaclegroupinc.com](http://www.pinnaclegroupinc.com)

# Pinnacle Healthcare Consulting

## Revenue Cycle & Coding Consulting



CPC, CPMA expertise

Elevate compliance and gain peace of mind. Prepare for increasing government scrutiny.

### **Periodic and Targeted Audits**

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

### **Reimbursement Optimization**

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

### **EHR Template**

Maximize the efficiency of your current EHR templates with coding techniques that ensure efficiency with maximum documentation.

### **Bell Curve Analysis**

Medicare uses physician utilization information to target for audits. Compare a physician's utilization with others in their specialty. Pinnacle can assist with this high level review of physician productivity.

## Services:

- Physician Education: Speciality or Topic Specific
- Coding and Documentation Audits: Evaluation and Management, Procedural
- Compliance Audits: Pre and Post Acquisition
- Electronic Health Record Template Compliance and Efficiency Reviews
- Bell Curve Analysis
- RAC and other Government Audit Preparation Education
- Coding Services: Evaluation and Management, Procedural, Diagnosis, Review and Recommendations, Denial Management
- ICD-10 Readiness

### **Coding Services**

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.

### **Physician Education**

Focused education that bolsters knowledge and improves skills for any physician. Pinnacle has expertise in physician education for specialties and specific topics.

### **Coding / Documentation Audits**

Find out if your level of services is supported according to correct coding guidelines, documentation and distribution.

### **Compliance / Revenue Risk Assessment**

Compliance and revenue risk assessment is a vital step for hospital and physician integration. We can help you discover coding and documentation needs as well as evaluate compliance and revenue risks before or after physician acquisition.

### **RAC and External Audits**

Pinnacle can help your organization prepare for government audits and help protect your valuable revenue.

## Revenue Cycle & Coding Services

Our focused, scalable, and compliance expertise in this arena complements Pinnacle's existing core services by adding a depth to the revenue cycle review - further differentiating Pinnacle from other valuation and compensation companies.

Contact: 303.801.0124 or [molivier@pinnaclegrouphc.com](mailto:molivier@pinnaclegrouphc.com) for more information or visit [www.pinnaclegrouphc.com](http://www.pinnaclegrouphc.com)