The Power of Physician Led Medicine

DuPage Medical Group

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June 24, 2017

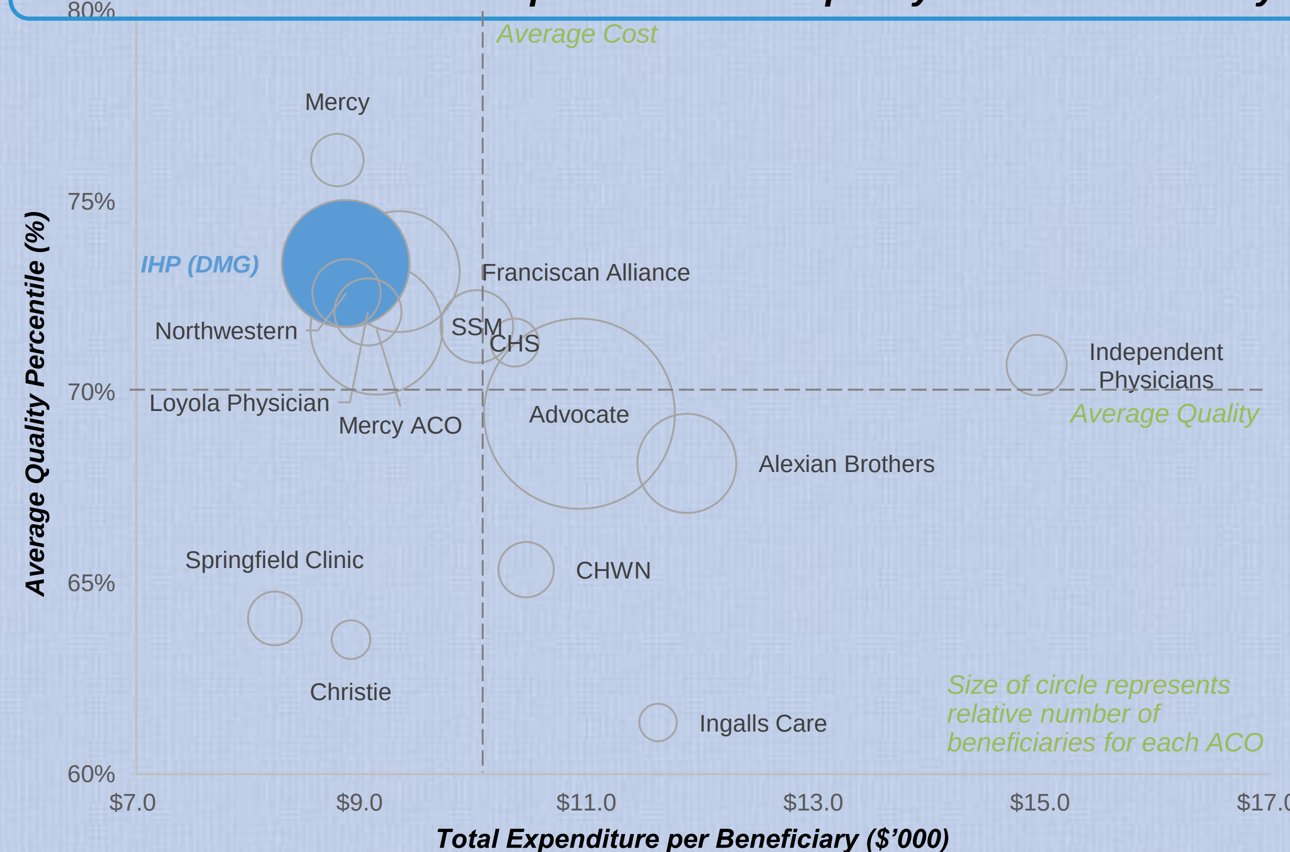
About DuPage Medical Group

- 600+ physicians
- Revenue run-rate over $1 billion
- 70+ locations throughout Chicagoland area
- 50+ specialty service line offerings
- DMG offers:
  - Telemedicine, including Online Scheduling, Video Visits and E-visits
  - Integrated Oncology Program (the only free standing cancer center accredited by the COC in Illinois, treating 75 patients daily)
  - Ancillary Services, including Physical Therapy, Lab, Radiology and Sleep Labs
  - Ambulatory Surgery Centers (complete 28,500 cases per year)
- DMG’s management team collaborates with its Board of Directors, comprised of 10 practicing physicians

Medicare Shared Savings Program (MSSP) ACO Results

Demonstrable track record of achieving both quality and cost through its IHP MSSP efforts

DMG's ACO is among the best performing nationally – only 9% of all ACOs (38 of 393) rank in top quartile for both quality and cost efficiency



- IHP is a 50/50 JV partnership formed with Edward-Elmhurst in 2014
- 4 hospitals, 1,400 physicians
- 14th largest ACO out of 393 nationally
- Lowest cost ACO in Chicagoland

Source: CMS as of 2015.
Note: Represents 67k lives.

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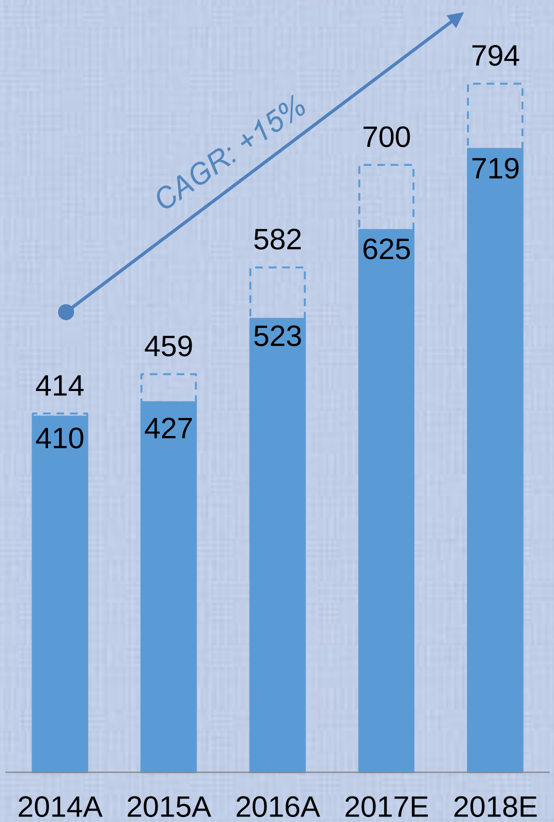
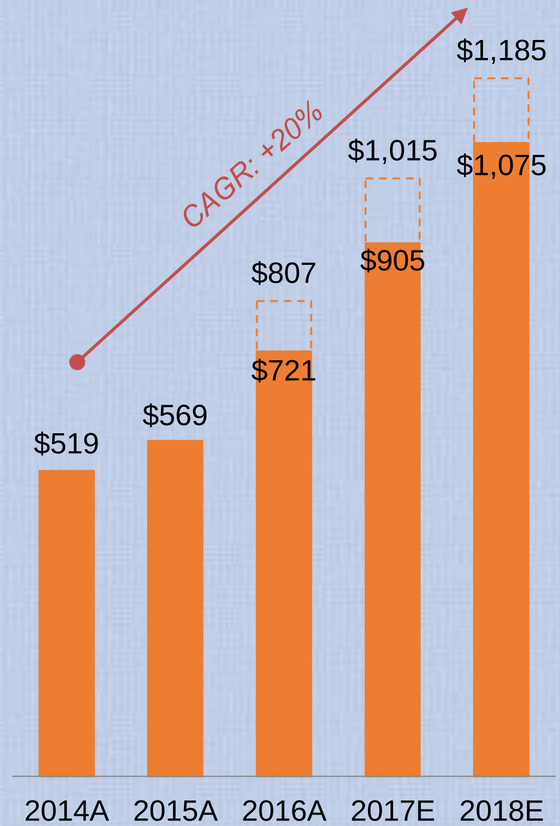
- DuPage Medical Group is part of IHP ACO
- IHP = Illinois Health Partners
- IHP ACO is 14th (97th percentile) largest ACO out of 393 nationally
- IHP is lowest cost ACO in Chicagoland, spending $8,847 per beneficiary per year
- IHP ACO is in the 88th percentile nationally in clinical quality
- IHP ACO is in the 76th percentile nationally in cost efficiency
- Only 9% of ACOs (38 of 393) are in the Top quartile for Quality and Cost Efficiency – IHP is one of them!

Superior Financial Performance with a Robust and Highly Visible Outlook

Physicians (FTE - Avg.)



Revenue



	2014A	2015A	2016A	2017E	2018E	2014A	2015A	2016A	2017E	2018E
YoY Growth	*11%*	*4%*	*23%*	*20%*	*15%*	*15%*	*10%*	*27%*	*26%*	*19%*

Average | Year-end

Actual | Year-end Run-rate

Note: Dollars in millions.
(1) Excludes transaction expense and CY15 retention bonus.

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Strategic Mission

Become a Regional/National Solution for Physicians and the alternative to the employment model while maintaining a Doctor-Directed Culture and Delivering Market Leading Quality, Value and Access to our Patients

Strategic Priorities and Growth Objectives

Physician Growth

> Primary Care

> Specialty Care

> Target 300+ Providers in 24-36 months

Ancillary Growth

> ASC

> Physical Therapy

> Immediate Care Centers

> Radiation Oncology

> Diagnostic Imaging

Medicare

> Medicare Advantage

> MACRA

> ACO

Risk

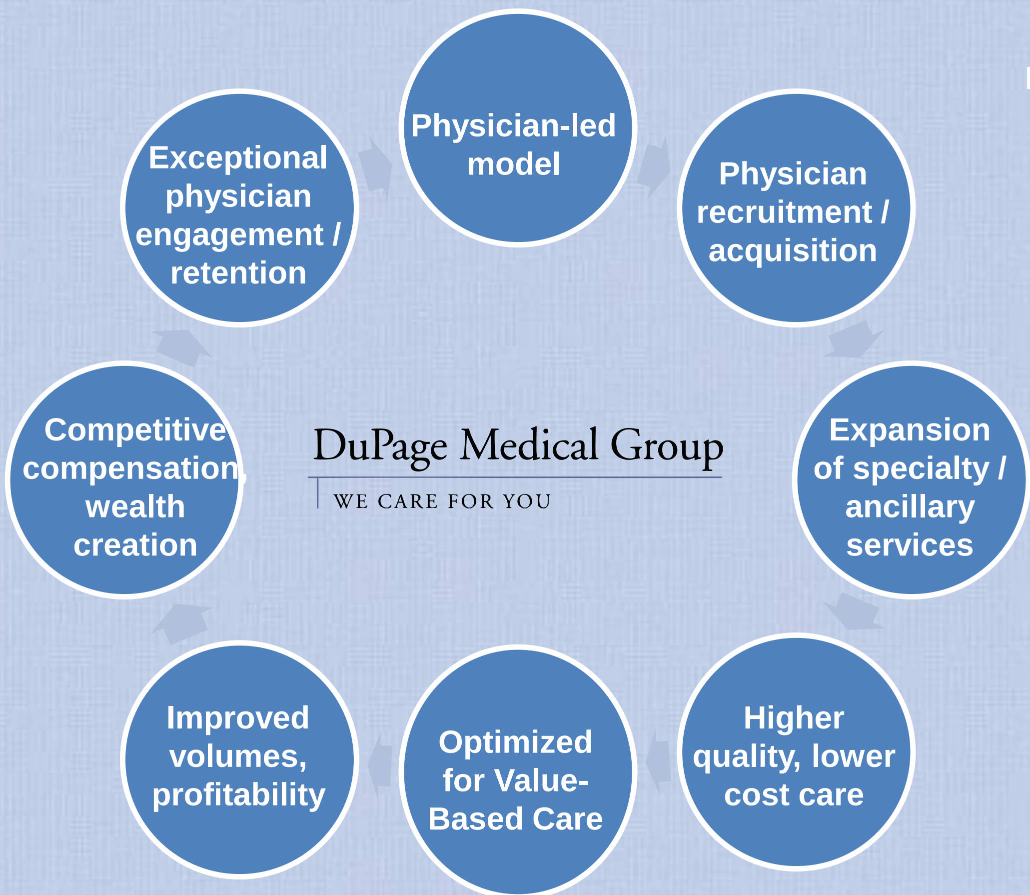
> Boncura

> BCBS

> Population Health

> Gainshare

Integrated Model Drives Virtuous Cycle of Strong Growth and Profitability



Expansion of specialty / ancillary services

Improved ability to service patient

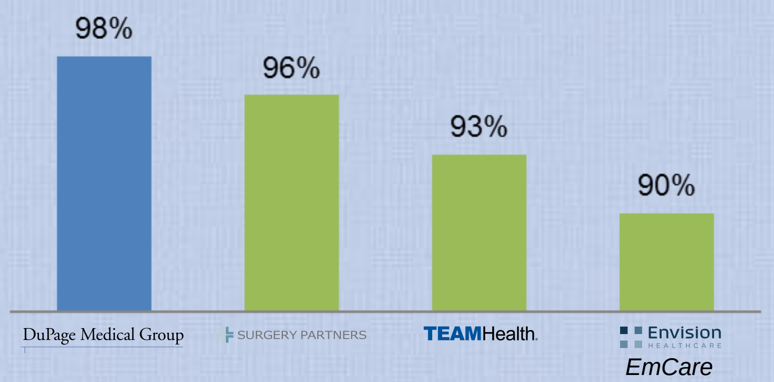
Physician-led Culture Attracts and Retains the Best

DMG Physician Recruitment Pitch

- **Compensation**
  - Reimbursement pressure likely to reduce independent physician revenues over time
  - DMG offers current compensation levels +3-5%[1]
  - Benefits (e.g., health insurance, 401k)
  - Additional upside potential based on productivity
- **Benefits of Scale**
  - Best practice sharing
  - DMG referral network
  - Security of larger practice that is winning
- **Administrative Services**
  - Increased productivity due to reduced administrative burden – more time spent treating patients
  - Access to DMG's Epic system – no cost after acquisition or hire
  - Tools to manage patients
- **Physician Owned and Operated**
  - Physicians' Clinical Board makes clinical decisions
  - Path to ownership

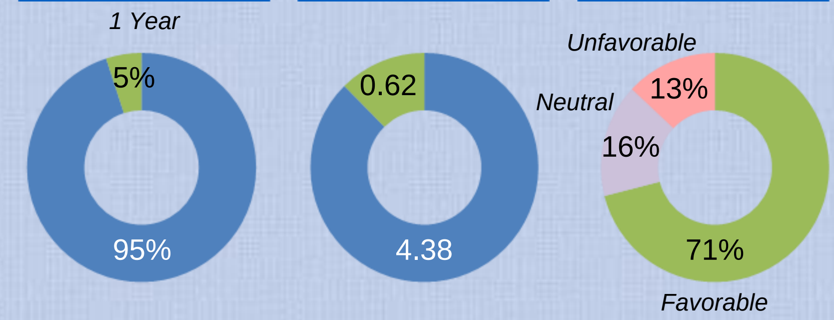
Ability to maintain practice outside of hospital while benefitting from scale and stability of DMG

Unparalleled Retention Rates



Exceptional Physician Engagement

Intent to Stay | ***Engagement Index[2]*** | ***Favorability View of DMG[3]***



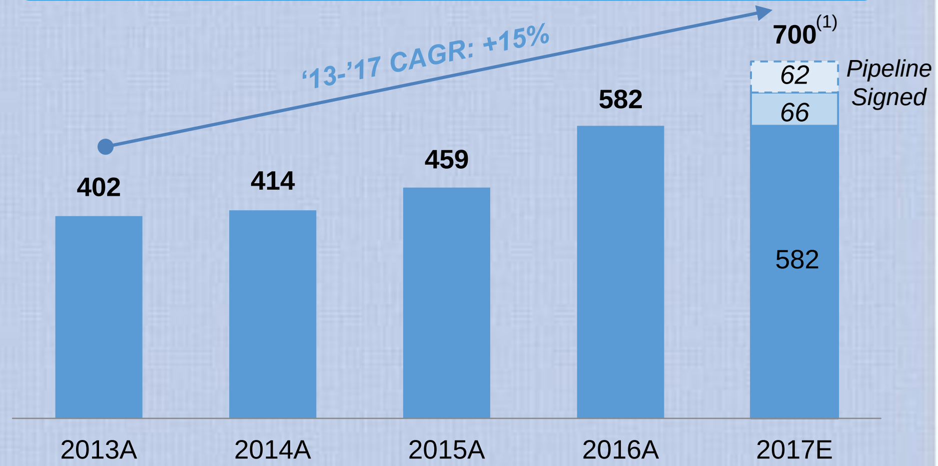
Source: PWC Survey, Investor Presentations and Wall Street research.
(1) Assessed on a case-by-case basis.
(2) Represents physician engagement out of 5.
(3) Represents % of physicians who view DMG favorably.

DMG Provides an Attractive Alternative for Physicians Moving to Employment (vs. Self-Employed)

DMG Has Achieved Exceptional Physician Engagement

86%	***Would recommend DMG to friends and family as a great place to work***
95%	***Intend to stay with DMG for at least another 12 months***
87%	***Believe there is good collaboration between doctors across DMG***
93%	***Agree that DMG is committed to doing quality work***
95%	***Would recommend DMG to family and friends who need care***

Driving Accelerating Physician Growth



44% of physicians in Illinois (~18k) identify as independent

What Sets DMG Apart

- ***Physician-driven*** operations – ***management works for the doctors***
- Of the top 20 largest physician groups in Chicago, ***only DMG is not affiliated with a health system***
- ***Competitive compensation*** with performance-based incentive structure
- ***Path to ownership*** for doctors
- ***Proprietary technology*** / ***MSO*** and ***state-of-the art facilities***

Source: PWC Survey.
(1) YE 2017 physician count includes attrition (11 physicians).

Place Your Bet on Physician Directed Health Care

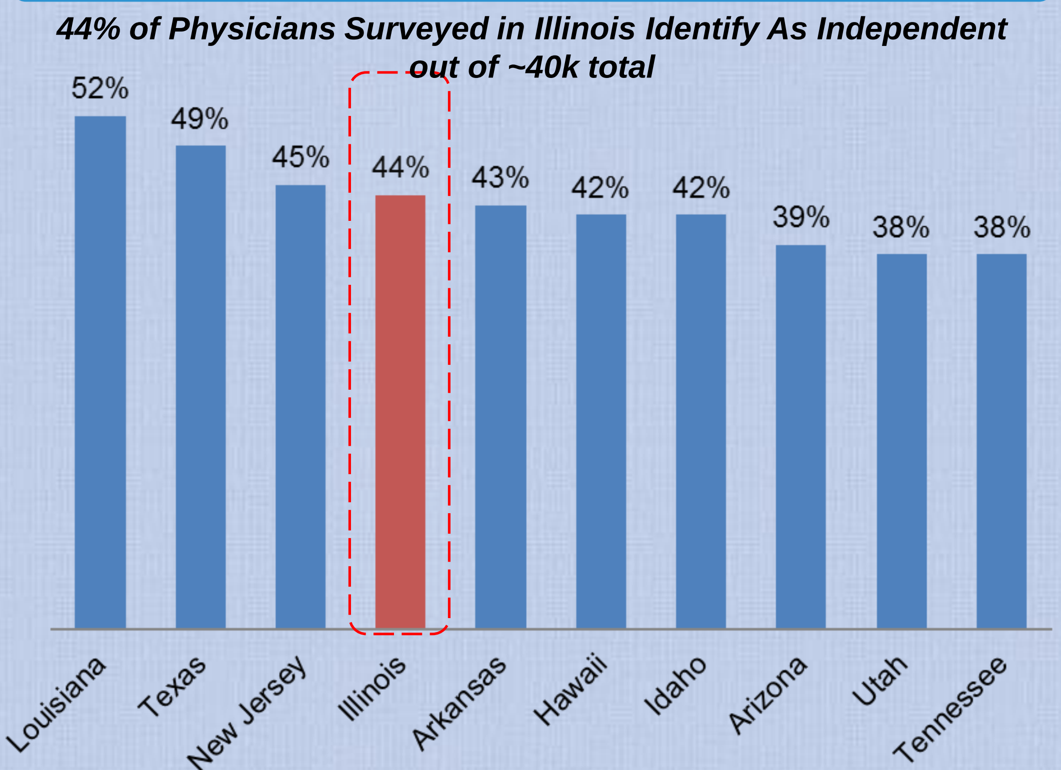

COVER STORY

Value-based care is here and standing pat is not a viable option. Yet healthcare leaders face substantial risks for generations to come as they develop new businesses and clinical relationships to gain tighter control of the care continuum. BY PHILIP BETBEZE

Further Opportunity For In-State Growth

- DMG has demonstrated a track record of success executing its model within its local markets
- Its proven acquisition capabilities and tested infrastructure provides a template for broader geographic expansion, particularly within Illinois

Independent Physicians by State – Top 10



- Meaningful ***whitespace*** opportunity ***within Illinois***
- Opportunity to ***scale DMG's model beyond Chicago***
- ***Opportunity to further leverage BCBS-IL*** relationship within Illinois
- DMG has ***thoroughly investigated expansion opportunities***

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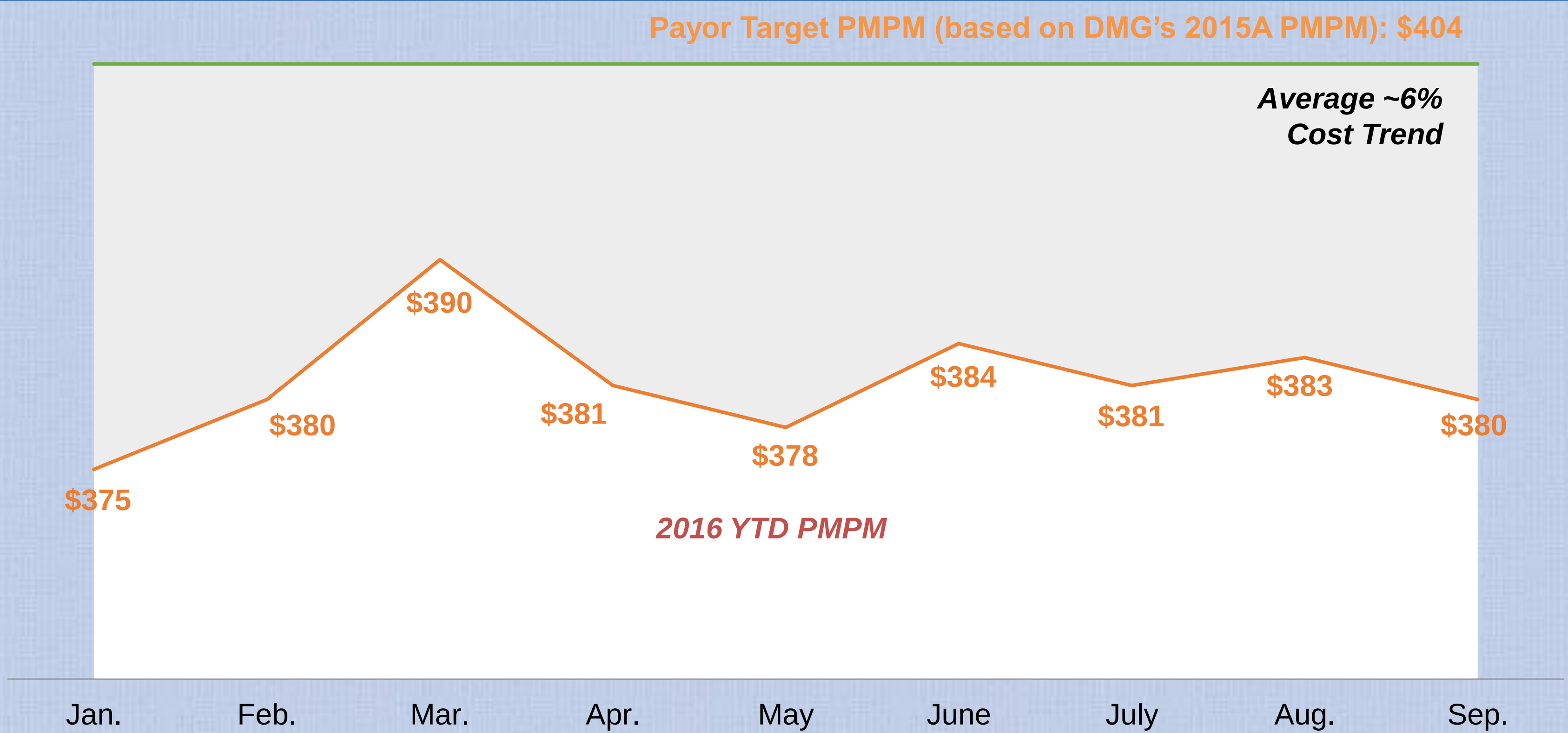
Source: Survey of America's Physicians: Practice Patterns and Perspectives. The Physicians Foundation / Merritt Hawkins. 2014.

Performance vs. Payor Cost / Risk Sharing Targets Tracking Strongly(1)



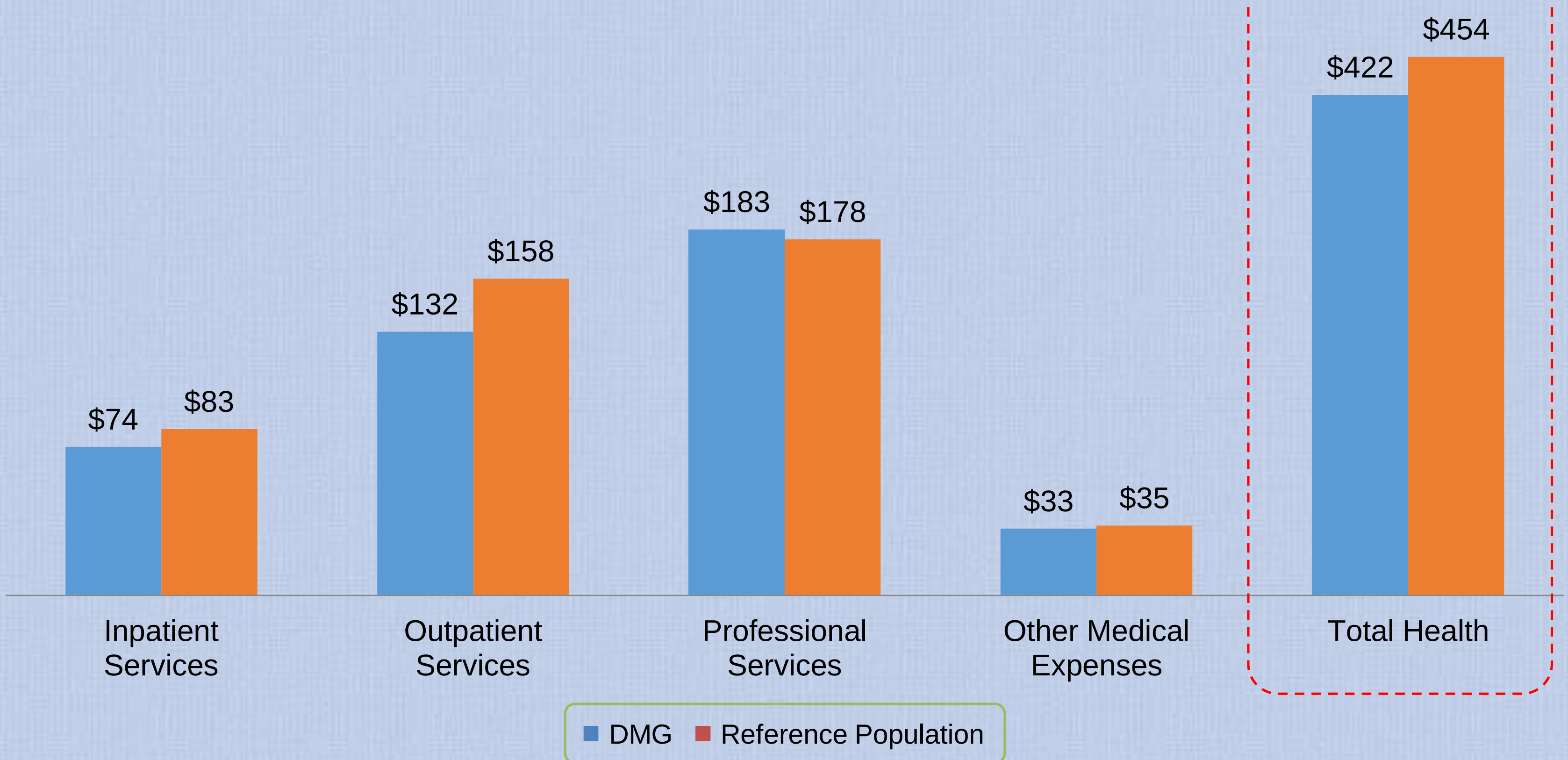
Opportunity to participate in upside of up to $45mm over the next 5 years under FFS model through shared savings programs

Source: Payor as of 2016.
Note: Represents PMPM cost of Payor enrollees. DMG patients include Payor enrollees who receive the plurality of care from DMG.
(1) Includes stop-loss.

DMG is a Cost Leader in its Market

PMPM Cost & Utilization Overview: DMG vs. Payor Reference Population[(1)]
(DMG Costs Include Contractual Increase in CPT Codes)

DMG % cost (under) / over	***(11%)***	***(17%)***	***+3%***	***(5%)***	***(7%)***



Source: Payor as of 2016.
Note: Represents PMPM cost of Payor enrollees. DMG patients include Payor enrollees who receive the plurality of care from DMG.
(1) Represents 50k lives in Payor / DMG Commercial PPO ACO. Reference population consists of a random sample within DMG's geography and risk profile. Data represents full-year 2016.

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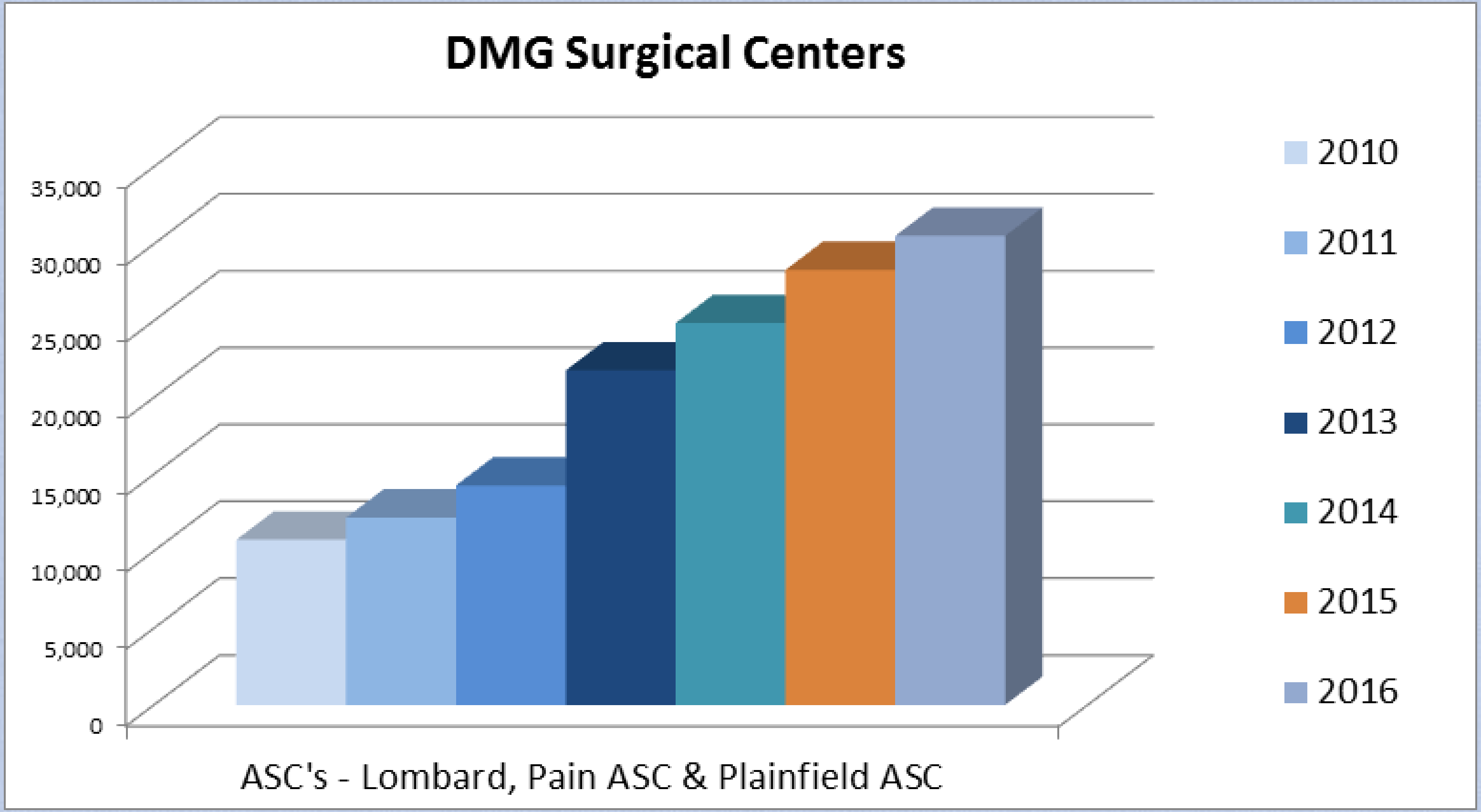
ASC Utilization



The Future of Ortho and Spine

- Bundled Payments for Care Improvement (BPCI)
- Outpatient Total Joint
- New Tools and Techniques (3D)
- Minimally invasive procedures
- Outpatient Spine Surgery

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