



ANNUAL REPORT 2024



OUR VISION

DMG physicians will be recognized as leaders in providing high quality, innovative medical care delivered in a compassionate, respectful and responsive way. We will be a trusted partner in training the future healthcare providers in Arizona. We will create an environment to attract and support highly talented, compassionate providers.



A MESSAGE FROM OUR PRESIDENT & CEO

Kote Chundu, MD, MMM

I want to share my sincere gratitude for all your efforts in making 2024 another successful year for District Medical Group (DMG). I value your everyday dedication to our patients and health system. This year has been one of noteworthy changes on several fronts. Significant organizational achievements in 2024 included:

- In June, we moved into the new state-of-the-art acute care hospital. We appreciate everyone's hard work with the move and adapting to the new environment.
- Completed moving the physician offices to the Piper Pavilion on the campus of Valleywise Medical Center.
- Completion of the first 18 months of the new master services agreement (MSA) resulting in a significant increase in overall clinical productivity.
- Two "Thank You" bonuses were distributed for years 2023 and 2024. Departmental productivity bonuses were distributed based, in part, on the new MSA productivity benchmarks.
- Efforts are ongoing for the strategic relationship with Mountain Park Health covering all the inpatient obstetrics and gynecology services.

- Working with R1 (DMG's revenue cycle partner) to optimize revenue cycle processes including charge capture, coding and collections.
- Working with Valleywise Health to improve acute care bed capacity.
- Completed culture survey action plan with specific departmental ideas.

We have responded well to the challenges associated with these major changes and met our financial performance expectations in 2024. We must continue to improve our culture as an academic medical group and address future recruitment challenges. I would like to thank each member of DMG for their reliability and support and the skills each one of you brings to bear to support our patients and organization.

I am immensely grateful for all the talents each of you contributes to achieve our mission of patient care, education, research and community service. Thank you for your efforts. I am proud to collaborate with you all.

Sincerely,

Kote Chundu, MD, MMM
President and CEO
District Medical Group

Working together to better the health of our community, DMG is proud to partner with the following healthcare organizations:



A MESSAGE FROM OUR CHAIRMAN OF THE BOARD

Dan Hobohm, MD, MPH
Pathology Chair,
Valleywise Health



The DMG Board of Directors has consistently encouraged our leadership team to adapt to the ever-changing healthcare industry. As you read through each functional update, I hope you see DMG successfully continues to acclimate to the challenges of the post-pandemic era.

Implemented in January 2023, DMG's MSA with Valleywise Health has been a success, allowing us to retain our valued employees and providers and provide a stable and secure future for our organization. The commitment of our providers and employees to DMG and our mission has enabled us to continue to grow and be a valuable contributor to the quality of healthcare and medical education in Arizona.

On behalf of the Board, I would like to thank each and every one of our employees and providers for making 2024 another successful year for the organization.



DMG BOARD MEMBERS AND OFFICERS

VICE-CHAIR OF THE BOARD



Phyllis Biedess
Healthcare consultant;
former AHCCCS director



David Wisinger, MD
Chief Medical Officer, DMG;
Internal Medicine Chair,
Valleywise Health

BOARD MEMBERS



Kote Chundu, MD, MMM
President & CEO, DMG



Carol Olson, MD, DFAPA
Division Chair, Psychiatry,
Valleywise Health



Tom Manos
Former Maricopa County Manager



James Marovich
Attorney, Marovich Law Firm, PLC



J. Alan Rawls
Executive Director, Clinical
Partnerships, Arizona State
University

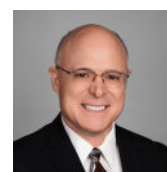


Bill Putnam
Former Senior VP, USAA;
retired Rear Admiral, US Navy

OFFICERS (NON-BOARD MEMBERS)



Yvonne Masters, JD, CPHRM, RN
Chief Risk Officer



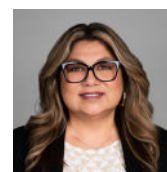
Craig Jones
Chief Financial Officer



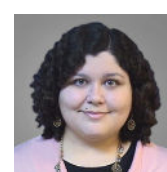
Scott Manning
Chief Human Resources Officer



Kevin Rhode
Chief Information Officer



Marisel Fuentes
Chief Clinical Operations Officer



**Isabella Porter, Esq.,
CHC, CHPC**
Chief Compliance and
Privacy Officer

FINANCE

What 2024 lacked in volume of issues it made up for in the challenges that accompanied those issues. Despite these challenges, we ended the year in a good spot from a financial perspective. DMG's Total Assets increased by \$39 million, while our Total Liabilities increased by only \$26 million. Net income for DMG exceeded the budget and allowed our Net Assets to grow to more than \$80 million.

It should be no surprise that we continued the consistent exercise of financial disciplines along with prudent financial controls. This diligence is resulting in DMG meeting or exceeding any contractual covenants. The Finance, Operations and Pension Committees continue to meet regularly to review finances and monitor performance, and the Audit Committee meets regularly to review and monitor compliance, controls and cybersecurity.

CENTRAL BUSINESS OFFICE

2024 was a challenging year for the Business Office (B/O), but the team collaborated with multiple departments and was creative and positive in managing the following challenges:

- **Banner University Medicine obstetrics and gynecology billing:** Difficulty in gaining access to Banner's electronic health records resulted in billing delays for OBGYN services. We are actively working with Banner to improve information exchange for timelier claim submission.
- **Change Healthcare cyberattack:** DMG was among thousands of clients disconnected from the Change Healthcare systems due to a cyberattack in February 2024. We were unable to process claims, bill patients and check insurance coverage for care and are still managing minor residual impacts.

When Valleywise Health opened its new hospital in 2024, DMG created new departments and moved and combined departments. The B/O monitored these changes to identify any possible issues with charge automation of which none were identified. The B/O team attended a live EPIC provider training to get insight into the providers' workflows and how they impact charge automation. At least two immediate improvements were identified and are being assessed.

The obstacles expected with the AHCCCS security update, ID.ME, were short-lived. R1 provided an onshore resource and an automated eligibility process to update information.

In an ongoing effort with DMG Children's Rehabilitative Services (DMG CRS) to enhance front-end procedures, a ticketing system for communication of insurance changes was implemented to allow the B/O to update claims in a timely manner. Reports were designed to help DMG CRS leadership identify trends and areas of improvement. In-person trainings were provided for eligibility and authorization processes. We partnered with Information Technology (IT) to create edits and automation functions within Athena for eligibility and charge capture.

In 2025, the B/O will pursue charge capture enhancements that will focus on accounts receivable (AR) and revenue leakage including:

- Design and create dashboards with RVUs and other data in partnership with IT
- Improve charge capture of inpatient census
- Enhance EPIC functions that flow downstream to Athena through a new physician education position
- Continue focus on charge capture and reconciliation improvements
- Reduce the need for corrected claims due to errors in eligibility and FSC flow
- Reduce AR to <120 days
- Review Enterprise Task Manager workflows and audit tasks to identify and correct rejections
- Identify and review underpaid claims and appeal, as appropriate

CLINICAL OPERATIONS

2024 was a tremendously eventful and productive year for Clinical Operations. Examples of productivity and improvements in 2024 included:

Moves to new facilities

- **DMG administration move to new Piper Pavilion:** DMG administrative staff and providers were moved into the Piper Pavilion on the campus of Valleywise Health Medical Center. This new building includes a state-of-the-art conference room, offices, wellness room and a room for new mothers.
- **New Valleywise Health Medical Center:** Collaborated with providers and IT to move Valleywise main hospital patients in June, ensuring a smooth transition. The move was completed faster than the 18-hour plan.
 - Closed existing emergency department and opened new one
 - Moved all patients including acute care, pediatric, newborn and critical care patients



DMG CRS enhancements

- **High Risk Infant Follow Up Clinic:** Supports babies born prematurely or with complex medical needs and their families
- **Therapy programs:** Hired more physical and occupational therapists
- **Community engagement:** Make-a-Wish Foundation, Ryan House, Snoopy mural painting, Spring and Christmas celebrations for patients



Operational and process improvements

- Utilizing feedback from provider satisfaction surveys, we supported organizational efforts to improve company culture by:
 - Working collaboratively with departments and Valleywise partners to streamline the onboarding and credentialing processes and communications to standardize the new provider experience
 - Beginning upgrades of the credentialing software to MD-Staff to manage more than 800 providers

In 2025 we will continue to improve operational efficiencies as well as:

- Ensure providers' onboarding orientations are consistent by communicating with all stakeholders and giving providers time to become oriented in the space in which they will be working
- Complete upgrading the credentialing software
- Strengthen relationships with new leadership at Valleywise Health and Creighton University College of Medicine in Phoenix

COMPLIANCE

Consistent with past years, DMG's Office of Corporate Compliance continued to collaborate with other DMG departments throughout 2024. Notably, Compliance maintained a strong partnership with Clinical Operations and the Central Business Office to support compliant processes throughout various aspects of each department's operations.

Additionally, our internal audit program continues to assist various DMG departments with identifying and addressing potential risks of noncompliance with regulatory standards. While our audits include coding and documentation reviews, vendor compliance with contractual obligations and regulatory requirements and crucial internal functions performed in other departments, Compliance also incorporated additional audits in conjunction with Clinical Operations and B/O to assist these departments in identifying opportunities for additional oversight. Lastly, Compliance incorporated routine self-monitoring of its functions into the internal audit workplan, so we can ensure that the Compliance program processes are routinely assessed and verified. The variety of these reviews in the Compliance department's audit workplan continues to allow DMG to proactively identify and correct areas of noncompliance.

DMG Compliance continues to emphasize efficiency when developing the curriculum of courses assigned through HealthStream in coordination with DMG leadership. Likewise, Compliance continues to actively collaborate with Valleywise Health to promote DMG provider compliance with training requirements and nonduplication in course content. Ongoing communication between Compliance, Med Staff Services, Human Resources, Clinical Operations, Division Administration and the departmental administrative assistants continues to be a key factor in the overall success of DMG's education program.

DMG's compliance program would not be as effective or successful as it has been without the support of both leadership and employees. It is our vision that we will continue to be a valued asset and an integral part of DMG's future success. For 2025, Compliance will continue collaborating with all DMG departments to incorporate additional processes to support more efficient administration of its training and education programs, build a complete library of compliance procedures for program continuity and complete meaningful audits for the organization.

INFORMATION TECHNOLOGY

In 2024, the work of the Information Technology (IT) team reinforced our commitment to security, efficiency and innovation.

Facilities

- **Security and safety enhancements**
 - Replaced access control systems to improve physical security
 - Conducted annual fire inspections and drills
- **Facility improvements**
 - Completed DMG CRS lobby remodel
 - Continued flooring upgrades and resealed roof at CBO
- **Operational adjustments:** Finalized the shutdown of DMG Papago clinic

Applications

- **Maintenance and upgrades**
 - Executed Athena IDX upgrades
 - Implemented Clinect and population health initiatives with EMR partners
 - Upgraded equipment and software across multiple departments
 - Enhanced scheduling efficiency by integrating Televox Housecall Pro
- **Implementation and process improvements**
 - Began implementation of MD-Staff to replace provider credentialing platform
 - Transitioned to secure file transfer protocol between Valleywise Health and DMG, reducing delays and increasing access to critical data
 - Continued enhancements in centralized administrative services through DeliverHealth resources, resulting in improved call statistics and a successful remote scribe services pilot

Infrastructure/Service Desk

- **Cybersecurity enhancements**
 - Completed annual remediation for HIPAA and penetration testing
 - Conducted annual security audit
 - Improved phishing campaign results, increasing staff cybersecurity awareness
 - Finalized automation of staff audits, normalizing data across systems and improving profile management
 - Implemented automated internal network scanning and reporting for faster issue response
 - Deployed security information and event management monitoring, improving alert triage and security incident response
 - Partnered with vCISO to develop a more dynamic, comprehensive cybersecurity posture report
 - Successfully responded to multiple cyber threats (e.g., Change Healthcare, ICMP flood attacks, token hijacking with MFA)
- **Operational advancements**
 - Evaluated new software applications and in-house solutions to address operational needs
 - Conducted licensing audits for key platforms
 - Eliminated LaserFax agreements carried over from Choice Medical
 - Began developing risk reporting processes using existing service desk software
 - Evaluated service desk functionality
 - Assessed Ceridian platform for better system integration and data connectivity
 - Completed move-in to Valleywise Health Piper Pavilion, deploying upgraded equipment
 - Transitioned digital signage to Mood Media, enhancing content delivery
 - Upgraded phone systems, improving reporting, call control and tracking

- Implemented Desk Alerts, enabling targeted messaging to individual user screens, custom screen savers and survey and registration screen delivery
- Standardized Microsoft Teams as DMG's primary messaging and meeting platform
- Continued evaluation of Virtual Desktop Infrastructure
- Completed scheduled equipment refresh
- Enhanced monitoring capabilities using PRTG sensors to improve system reliability

Systems Enhancements

- **Process improvements**
 - Initiated the evaluation of contract management systems
 - Strengthened system monitoring with advanced software sensors
 - Leveraged existing software platforms in new ways to optimize functionality
 - Improved onboarding/offboarding processes
 - Partnered with operations teams to confirm technology solutions meet operational needs
 - Continued automation of system updates
- **Audits and compliance**
 - Strengthened user management processes and procedures for improved security
 - Conducted application audits to ensure full utilization of system functionalities and eliminate unnecessary platforms
- **New implementations:** Deployed Varonis for sensitive data monitoring and tracking, supporting compliance with PII and PHI regulations and enabling the removal of stale data
- **Application and system upgrades**
 - Streamlined medical records processing
 - Upgraded SAP reporting platform
 - Ensured all servers run on fully supported operating systems

Network Infrastructure Improvements

- Overhauled switching infrastructure
- Upgraded Wi-Fi access points
- Strengthened connectivity with partners (e.g., R1, Mountain Park Health, Valleywise Health)

This year's accomplishments across IT have laid the foundation for continued improvements in security, operations, system and staff efficiency and optimal patient experience and care. As we move forward, we remain committed to innovation, resilience and the seamless integration of technology to support our mission.

MARKETING

In 2024, the primary focus of DMG Marketing efforts was to drive awareness of the medical specialties and providers within DMG CRS and those DMG providers working at Valleywise Health facilities. Our goal was to ensure our messaging met patients where they were- be it on social media, review sites, websites and searches as well as print- and was relevant to them. We focused heavily on ensuring provider profiles and content on websites were fresh and up-to-date.

DMG CRS

New patients increased by 96% in October and 29% overall in 2024. Lead sources came from referrals, employees, Clinical Operations and these marketing tactics:

- **Websites and search engine optimization (SEO)**
 - Improved Google organic search results by:
 - ♦ Updating/adding content to the website
 - ♦ Optimizing for key search terms
 - dmgrcs.org had nine web pages for which organic search increased >100%
 - Active users and engaged sessions on the site both increased >36%
- **Digital advertising**
 - Generated leads by advertising on Yelp and other digital media
- **Collateral**
 - Produced DMG CRS fact sheets for audiology, ophthalmology, and High Risk Infant Follow Up Clinic



The image shows a fact sheet titled "Audiology and Hearing Screening Tests" from DMG Children's Rehabilitative Services. The top section features a photograph of a baby being examined by a healthcare professional. The text on the fact sheet includes:

- Hearing loss is one of the most common birth defects; it is important to identify any concerns for hearing loss early as it impacts many areas of child development.**
- Hearing loss can delay speech, language, thinking, learning, reading, and social skills in a developing child. Early detection and intervention can make all the difference in a child's ability to communicate and assist in reaching their full potential in development.
- The DMG CRS Audiology team consists of Audiologists with specific training for working with the pediatric population in diagnostics and assistive devices. Our Multi-Specialty clinic allows collaboration between other specialties including ENT, speech pathology, and genetics in addition to working closely with community providers/specialists.
- Your child's hearing should be checked if:**
 - You think your child is not responding normally to sounds
 - Your child is not starting to understand words and talk at the usual age (1 year)
 - Your child has frequent ear infections or persistent middle ear fluid
- Your child's treatment plan may include:**
 - Diagnostic testing for hearing loss (including Newborn Hearing Screening)
 - Hearing aid fitting and maintenance
 - Bone conduction hearing device fitting and maintenance
 - Cochlear implant selection, activation, and programming

DMG CRS has more than 25 pediatric medical specialties including:

- Audiology
- Speech Therapy
- Primary Care
- Dentistry
- Behavioral Health
- Physical Therapy
- Occupational Therapy
- Diet and Nutrition

Pharmacy, labs, x-rays in one easy-to-access location. Most major insurance accepted, including AHCCCS.

- **Social media**
 - Improved engagement rate per impression by 342% on Facebook by posting photos of our employees and patients
 - Gained 309 new followers on LinkedIn, Facebook and Instagram
 - Improved media release forms with input from the policy committee, so that we could utilize more photos that include patients and employees, which have proven to increase social media engagement
- **Referral sources**
 - Improved reporting by 367% from February 2023 to August 2024 with the support of IT and Clinical Operations; this reporting helps track the effectiveness of advertising campaigns

DMG Online

- **Websites (dmgaz.org; dmgrcs.org)**
 - **Search:** Improved Google organic search through updating content and adding new content
 - ♦ 60% increase in dmgaz.org page views vs. 2023
 - ♦ 2nd most viewed page was a diabetes blog by a DMG provider garnering 486K views; home page was most viewed (526K)
 - **Provider headshots for online profiles:** Implemented a roving photographer and created a headshot scheduling tool which produced 110 new headshots
- **Reputation management**
 - **Prospective patients:** Monitored Yelp, Google, Better Business Bureau and social media, replied to comments and informed leadership about new reviews
 - **Potential employees and providers**
 - ♦ Improved LinkedIn engagement rate per impression 12% by posting new, relevant content
 - ♦ Monitored Glassdoor and Indeed for reviews and questions

Crisis Communications: Responded to a cyber security threat and employment fraud with website and Google posts as well as internal communication for employees.

In 2025, Marketing will continue to find innovative ways to support patient acquisition and retention as well as amplify DMG as a medical group of choice. Optimizing internal partnerships within DMG and Valleywise Health, we will enhance our websites, increase SEO and social media engagement, create new digital tools for referring providers, generate new blogs and enhance online provider profiles.

OUR CORE VALUES

- **Quality:** Provide the best medical care available to our patients
- **Professionalism:** Meticulous adherence to undeviating courtesy, honesty and responsibility towards patients and colleagues
- **Partnership:** Pursue our clinical, academic and research missions with Valleywise Health, Creighton University, Dignity Health, University of Arizona College of Medicine and community partners
- **Respect:** Respect the individuality and diversity of our patients and colleagues
- **Integrity:** Assure patient safety and the best clinical outcomes through optimization of resources
- **Education:** Dedicated to outstanding education and training programs for healthcare providers
- **Research:** Continued commitment to clinical research, improving the health and well-being of our patients and their communities

OUR MISSION

To improve the health and well-being of individuals in Arizona through an integrated medical group practice based on a balanced program of:

PATIENT CARE

EDUCATION

RESEARCH

COMMUNITY SERVICE

FOR MORE INFORMATION:
DMGAZ.org

 DISTRICTMEDICALGROUP

 DMG_AZ

 DMGAZ



DMG

DISTRICT MEDICAL GROUP

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