



SMMILL
ANNUAL QUALITY REPORT
2018

A stylized, light gray graphic of a human figure. The head is a circle. The torso is a vertical rectangle containing a white outline of internal organs: a heart, lungs, and a digestive tract. The legs are represented by two vertical lines. The figure is centered on the left side of the page.

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444
EMPLOYEES

42
RADIOLOGISTS



45%
EMPLOYEES AT SMIL
WITH 5+ YRS TENURE

419,264 EXAMS COMPLETED
AT SMIL CENTERS

729,211 EXAMS INTERPRETED BY
RADIOLOGISTS FOR SMIL
CENTERS, HONORHEALTH™ FACILITIES AND OTHER CLIENTS

PATIENT SURVEY OVERALL SATISFACTION WITH SMIL

4.8
AVERAGE ON 5
POINT SCALE

85%

% OF EMPLOYEES
IDENTIFIED AS
ENGAGED OR CONTENT
ON 2018 EMPLOYEE
ENGAGEMENT SURVEY

398 COMMUNITY
SERVICE HOURS VOLUNTEERED
BY SMIL EMPLOYEES AND THEIR
FAMILIES

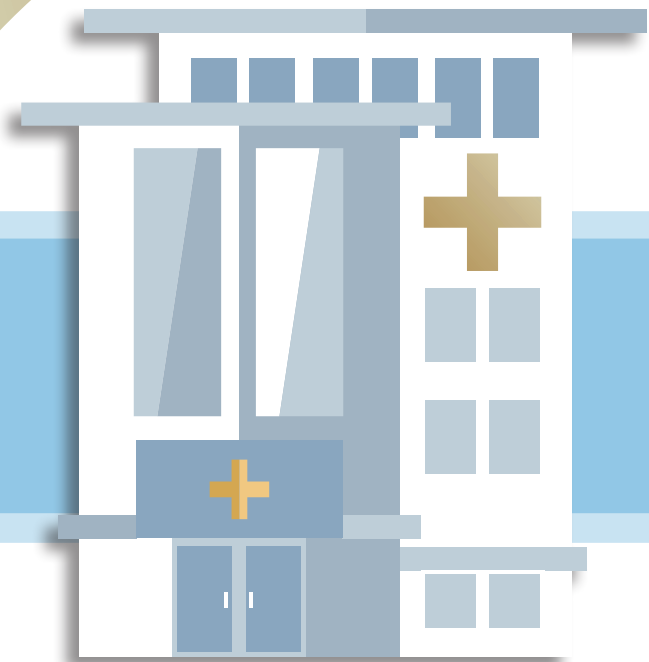
3 HOSPITALS SERVED

IMAGING CENTERS 16

PERCENTAGE OF EMPLOYEES WHO
COMPLETED THE 2018 EMPLOYEE
ENGAGEMENT SURVEY

88%

1,500 # OF
PB&J SACK LUNCHES MADE
FOR LOCAL FOOD BANK



DR. ROD OWEN



DR. ERIC KOVALSKY



DR. GAVIN SLETHAUG



DR. SUNIL RAM



DR. ROLF HULTSCH



WELCOME

SMIL is proudly committed to quality, patient safety, operational excellence and continual process improvement. This annual report provides you with an overview of our 2018 quality improvement initiatives and performance metrics.

In partnership with HonorHealth™ we provide outpatient services in 16 imaging centers throughout Scottsdale, Fountain Hills, Phoenix, Gilbert and our newest location in Mesa. We also provide x-ray services in several HonorHealth™ primary care clinics and a full complement of professional services 24/7 for the HonorHealth™ Scottsdale Osborn, Shea and Thompson Peak Medical Centers.

SMIL's high standards ensure that our imaging equipment, technologist training and exam protocols are continually reviewed and updated. These efforts provide our radiologists with state-of-the-art images for interpretation, which translates into the best possible patient care. Our focus on the advancement of technology, information systems, equipment and staff is crucial. It allows SMIL to remain responsive, flexible and efficient, while constantly delivering high-quality care.

Uniting excellent physicians, staff and equipment is not enough to ensure outstanding quality, which is why our group of radiologists chose to join Radiology Partners. As the country's largest physician-led radiology practice, Radiology Partners aligns with our deep commitment to innovation and improvement as we strengthen radiology's relevance in healthcare delivery systems. Together we are working to transform radiology by dedicating resources and tools to enhance quality and value for our patients.

We invite you to learn about our latest achievements, our plans to further improve quality and our commitment to pursuing excellence in patient care.

MISSION

To be leaders in medical imaging and intervention through clinical excellence, advanced technology, innovation and research, and to serve our patients and referring clinicians in a collegial work environment.

VISION

To be nationally recognized as a premier provider of service oriented patient care using medical imaging, guided intervention and state-of-the-art-technology.

VALUES

SERVICE | We are committed to providing excellent service and compassionate care with responsible stewardship of our resources and traditions.

INTEGRITY | We honor commitments and maintain the highest standards of behavior.

QUALITY | We pursue excellence in patient care and service.

INNOVATION | We improve quality of imaging services by adopting new technology and participating in research.

EQUITY | We strive for equality of effort and benefit.

- THE SMIL BOARD

WE'VE GOT YOU COVERED

IMAGING CENTERS

[NORTH SCOTTSDALE](#)

[SOUTH SCOTTSDALE](#)

[CAREFREE](#)

[FOUNTAIN HILLS](#)

[GILBERT](#)

[PARADISE VALLEY](#)

[PHOENIX](#)

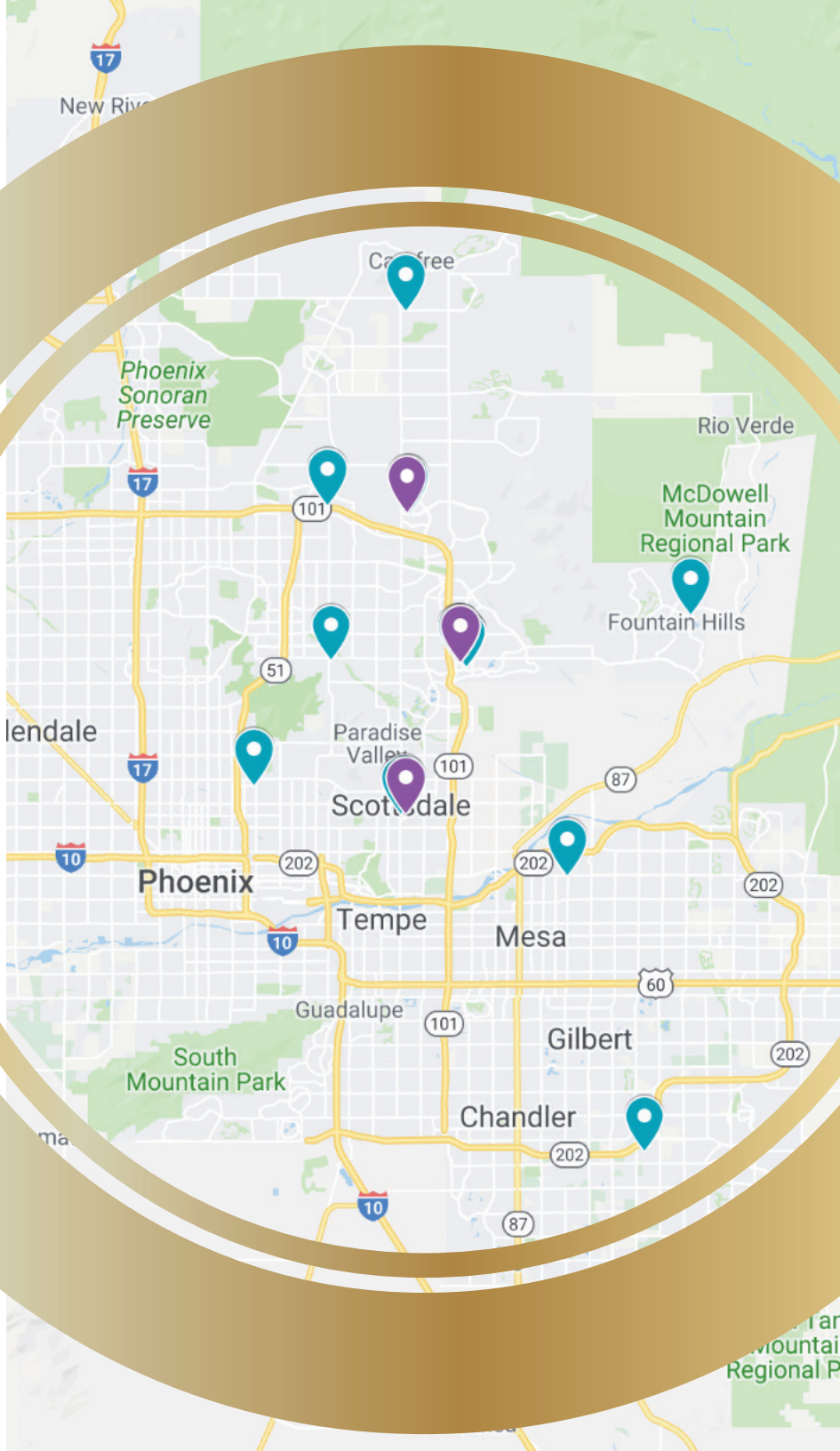
[MESA](#)

HOSPITAL PARTNERSHIPS

[HONORHEALTH SCOTTSDALE OSBORN MEDICAL CENTER](#)

[HONORHEALTH SCOTTSDALE SHEA MEDICAL CENTER](#)

[HONORHEALTH SCOTTSDALE THOMPSON PEAK MEDICAL CENTER](#)

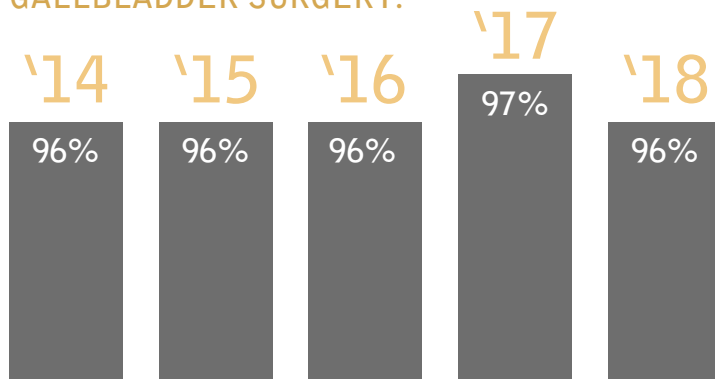


KEEPING PACE AT HONORHEALTH™

ENSURING FAVORABLE CLINICAL RESULTS:

We track the outcomes of biopsies performed by our radiologists and physician assistants at the HonorHealth™ Scottsdale Osborn, Shea and Thompson Peak Medical Centers to ensure pathologists are able to make accurate diagnoses for our patients.

PERCENT AGREEMENT BETWEEN RADIOLOGY AND PATHOLOGY FOR GALLBLADDER SURGERY:



Each time a patient undergoes gallbladder removal surgery (cholecystectomy) a SMIL radiologist reviews the pathology report and all the available imaging studies done before surgery. This rad-path correlation confirms we are providing the best possible care to our patients.

PERCUTANEOUS NEEDLE BIOPSIES AND DIAGNOSTIC ACCURACY 2018

| | POOLED MEANS SUCCESS (%) | SMIL SUCCESS (%) |
|-----------------------------------|--------------------------|------------------|
| BODY AREA | | |
| LUNG | 89 | 90.1 |
| MUSCULOSKELETAL | 82 | 93.0 |
| OTHER SITES | 89 | 95.7 |
| OVERALL | 85 | 93.0 |
| COMPLICATION RATE RANGE (%) | | |
| BIOPSY COMPLICATIONS | | |
| PNEUMOTHORAX | 12 - 45 | 15.9 |
| PNEUMOTHORAX REQUIRING CHEST TUBE | 2 - 15 | 8.1 |

Source: Gupta S, Wallace MJ, Cardella JF, Kundu, S, Miller DL, Rose SC; Society of Interventional Radiology Standards of Practice Committee. Quality improvement guidelines for percutaneous needle biopsy. J Vasc Interv Radiol 2010; 21: 969-975 [49].

HOSPITAL OUTPATIENT IMAGING EFFICIENCY MEASURES

As part of its Hospital Outpatient Quality Reporting Program, CMS created several Outpatient Imaging Efficiency (OIE) measures to promote high-quality, efficient care and to reduce unnecessary exposure to contrast material and/or ionizing radiation. SMIL has long-standing, excellent relationships with several local hospitals where we provide professional radiology services.

In particular, three OIE measures involve decisions and work flows where radiologists make a positive impact:

OP-10: ABDOMEN CT USE OF CONTRAST MATERIAL

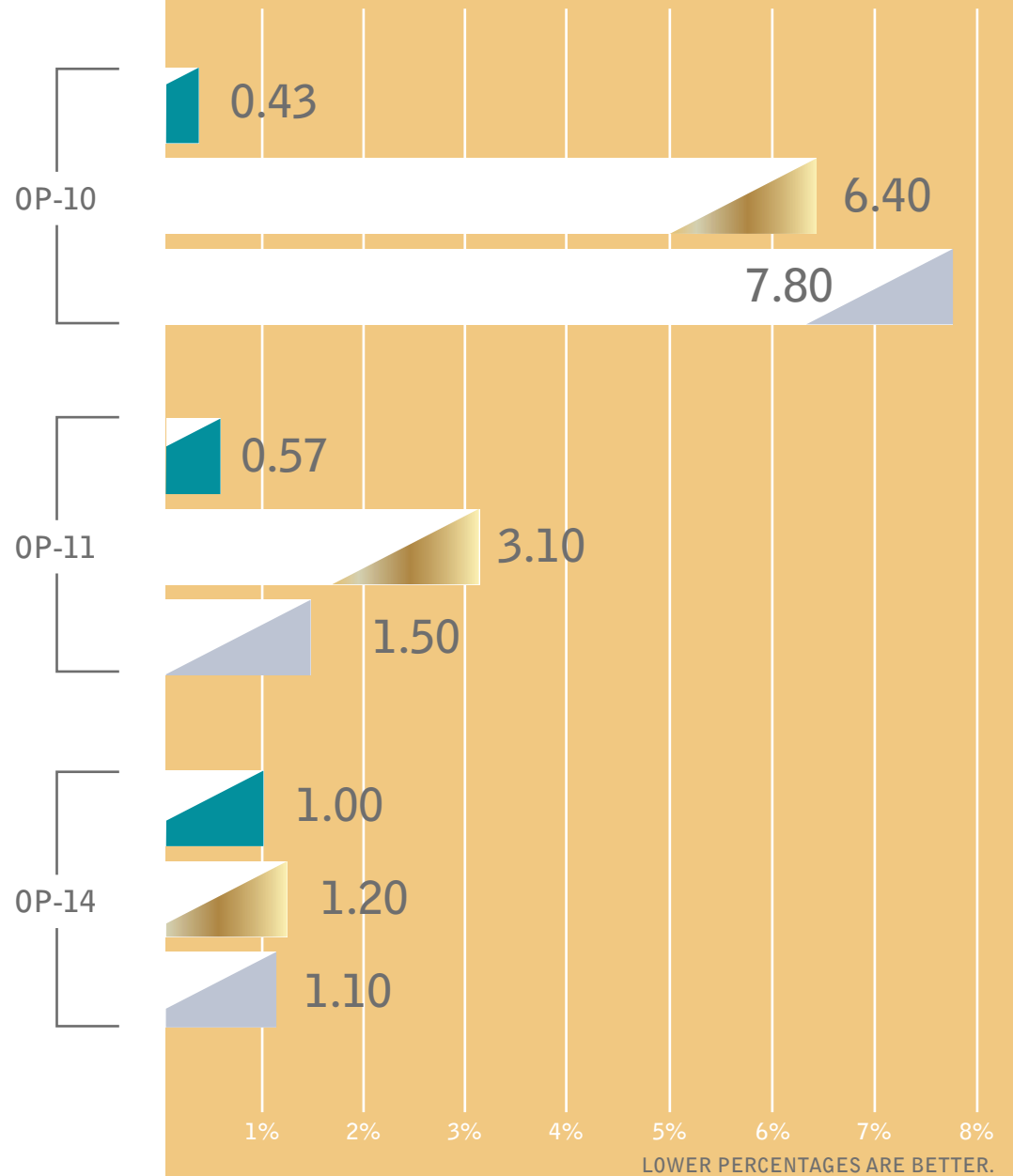
Percentage of abdomen studies that are preformed with and without contrast out of all abdomen studies performed.

OP-11: THORAX CT USE OF CONTRAST MATERIAL

Percentage of thorax studies that are performed with and without contrast out of all thorax studies performed.

OP-14: SIMULTANEOUS USE OF BRAIN CT AND SINUS CT

Percentage of brain CT studies with simultaneous sinus CT performed on same day at same facility.



SMIL'S COVERAGE OF HONORHEALTH™
 ARIZONA AVERAGE
 US NATIONAL AVERAGE

7/1/2016 to 6/30/2017

The Advisory Board's *Radiologist Professional Services Performance* outlines several metrics designed to help radiology leaders evaluate the clinical performance of radiologists in a hospital setting. The authors broke down performance into three categories: "traditional" reflects typical performance 3-5 years ago, "new status quo" reflects typical performance of successful radiology groups today and "progressive" reflects the highest performers.

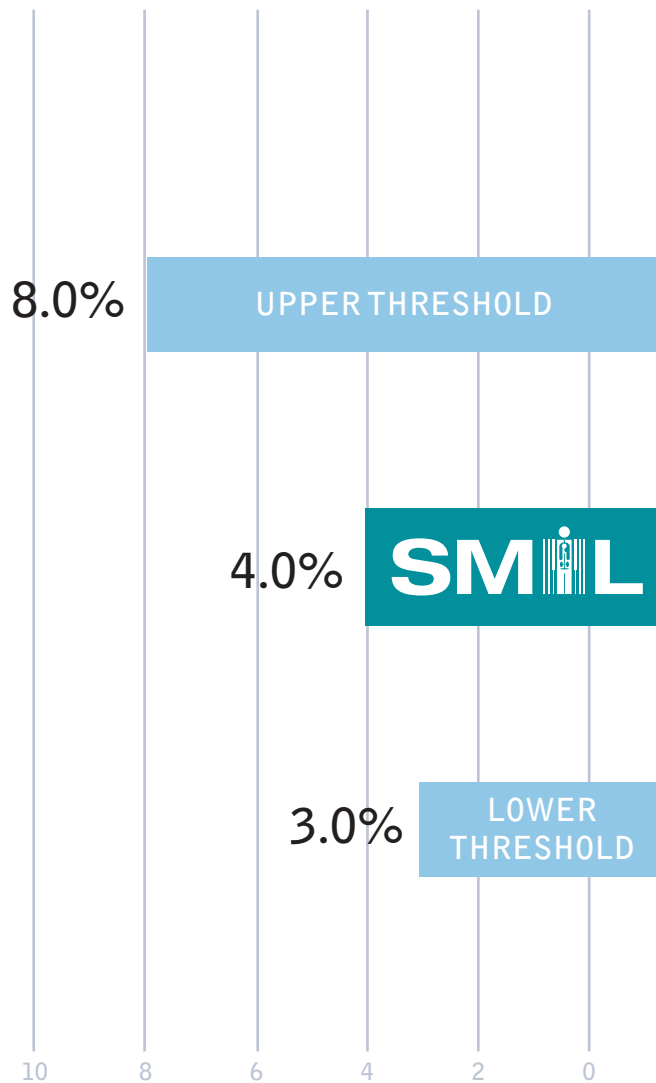


CLINICAL PERFORMANCE OF RADIOLOGISTS IN A HOSPITAL SETTING

| | TRADITIONAL | NEW STATUS QUO | PROGRESSIVE | SMIL PERFORMANCE ¹ |
|--|------------------|------------------|-----------------|-------------------------------|
| EMERGENCY DEPARTMENT TURNAROUND TIME (TAT) | 2 - 4 hours | 30 min - 2 hours | Under 30 min | 14 min |
| HOSPITAL INPATIENT TAT | Same day results | 4 - 8 hours | Under 4 hours | 26 min |
| HOSPITAL OUTPATIENT TAT | 24 hours | 4 - 8 hours | Under 4 hours | 26 min |
| PERCENT OF CASES PEER REVIEWED | 1% or fewer | 1% - 2% | Greater than 2% | 3.5% |

¹ MEDIAN TIMES

QUALITY PERFORMANCE IN BREAST IMAGING



POSITIVE PREDICTIVE VALUE 1 (PPV1)

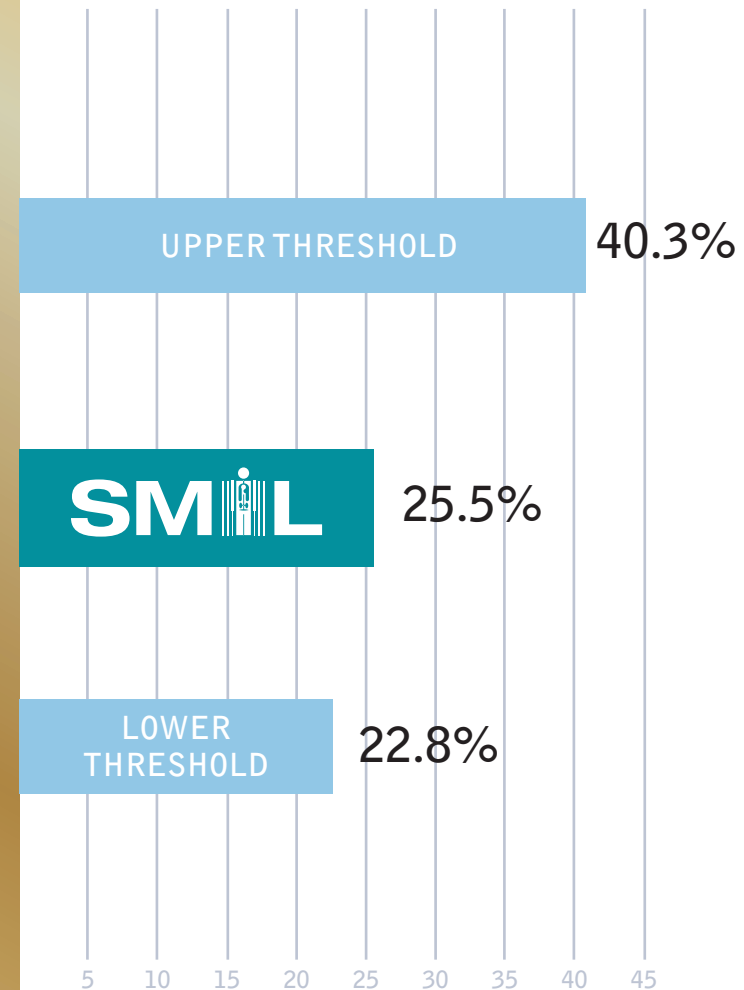
PPV1: Percentage of all BI-RADS® 0, 3, 4 or 5 screening mammograms that result in a tissue diagnosis of cancer. This is considered the prediction of cancer in abnormal mammograms.

Decades of research across the globe demonstrates that high quality screening mammography identifies cancer, when it exists, and reduces breast cancer mortality.

Patient outcomes data is collected and reviewed against benchmarks to assess a radiologist's performance in breast imaging. Two important predictive indicators are the Positive Predictive Value 1 and Positive Predictive Value 2.

Based on the radiologists' interpretation, mammograms are assigned an assessment category called BI-RADS® with a scoring system from zero to six.

- BI-RADS® 0
Study is not yet complete, further imaging may be needed.
- BI-RADS® 1
No evident signs of cancer.
- BI-RADS® 2
No apparent cancer, other findings may exist (for example, a cyst could be present).
- BI-RADS® 3
Probably no cancer, follow-up in 6 months to reevaluate.
- BI-RADS® 4
Suspicious for cancer, biopsy recommended.
- BI-RADS® 5
Highly suspicious for cancer, biopsy recommended.
- BI-RADS® 6
Patient has known breast cancer.



POSITIVE PREDICTIVE VALUE 2 (PPV2)

PPV2: Percentage of all BI-RADS® 4 or 5 mammograms recommended for biopsy or surgical consultation that resulted in a tissue diagnosis of cancer within 1 year. This is considered the prediction of cancer for suspicious appearing mammograms.

NET PROMOTER SCORE

Net promoter score is a recognized standard in business performance measuring customer loyalty. It is calculated by subtracting the percent of customers who are detractors (score of 1, 2 or 3) from the percent who are promoters (score of 5).

NOT LIKELY TO RECOMMEND

HIGHLY LIKELY TO RECOMMEND

1 — 2 — 3 — 4 — 5

DETRACTORS

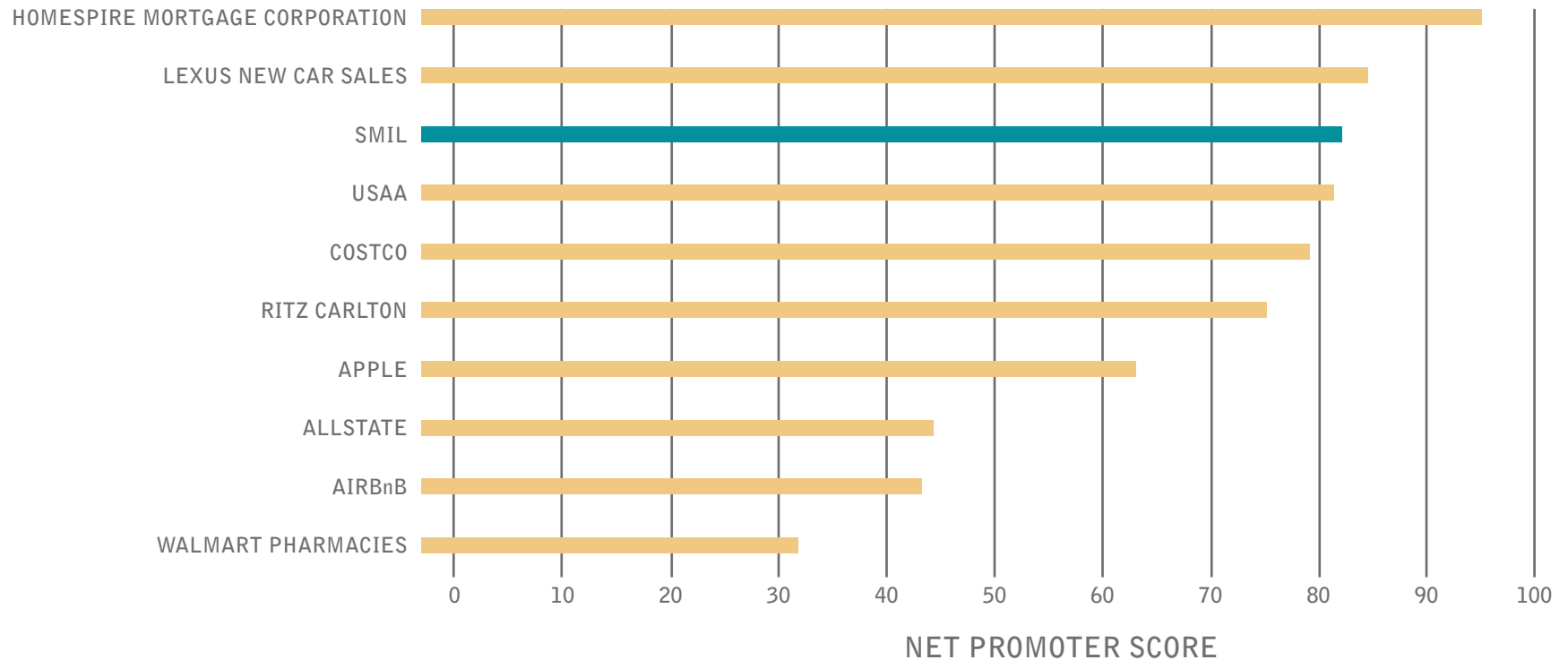
PASSIVE

PROMOTER

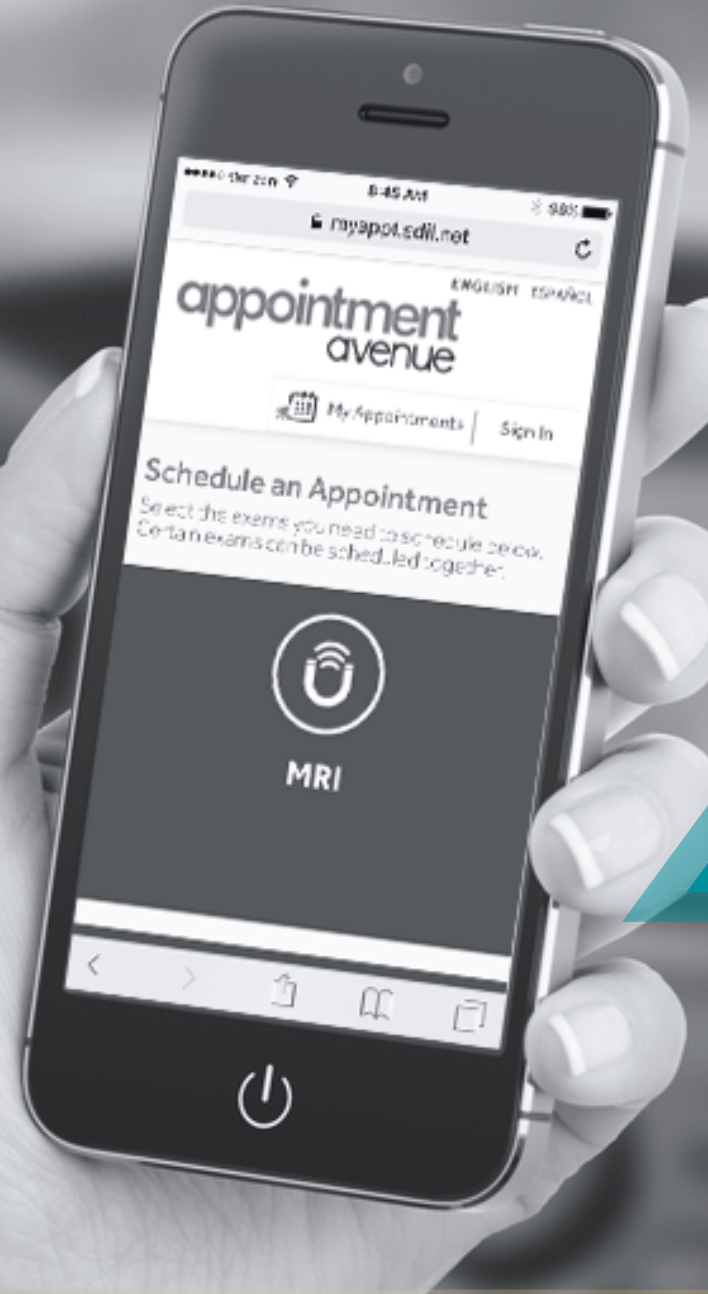
UNSATISFIED CUSTOMERS
WHO CAN DAMAGE YOUR
BRAND WITH WORD-OF-MOUTH

LOYAL ENTHUSIASTS WHO
WILL KEEP COMING TO YOU
AND REFER OTHERS

SMIL'S NET PROMOTER 2018 COMPARED TO INDUSTRY LEADERS*

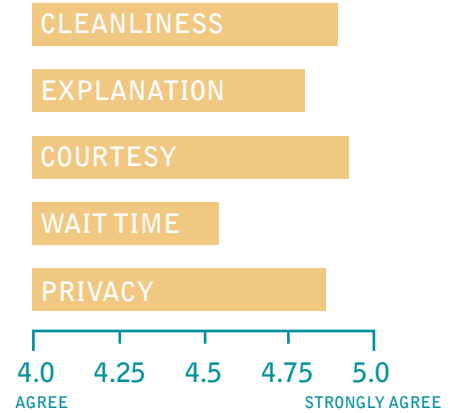


*SOURCES: NICE SATMETRIX, NPS® BENCHMARKS AND BAIN & COMPANY, INC.



In our patient satisfaction surveys, we ask for the strength of agreement with several different aspects of the patient's experience such as:

- The imaging center was clean.
- The technologist explained what was going to happen.
- Courtesy of the person who performed my exam.
- My wait time was satisfactory.
- Staff showed concern for my privacy.



PATIENTS WHO SCORED THEIR OVERALL SATISFACTION WITH SMIL AS EITHER GOOD OR VERY GOOD



In response to feedback we received from our patient satisfaction surveys we developed Appointment Avenue, a first-in-class online radiology scheduling tool.



MAMMOGRAM



X-RAY



MRI



DEXA BONE DENSITY SCAN



ULTRASOUND



CT SCANS

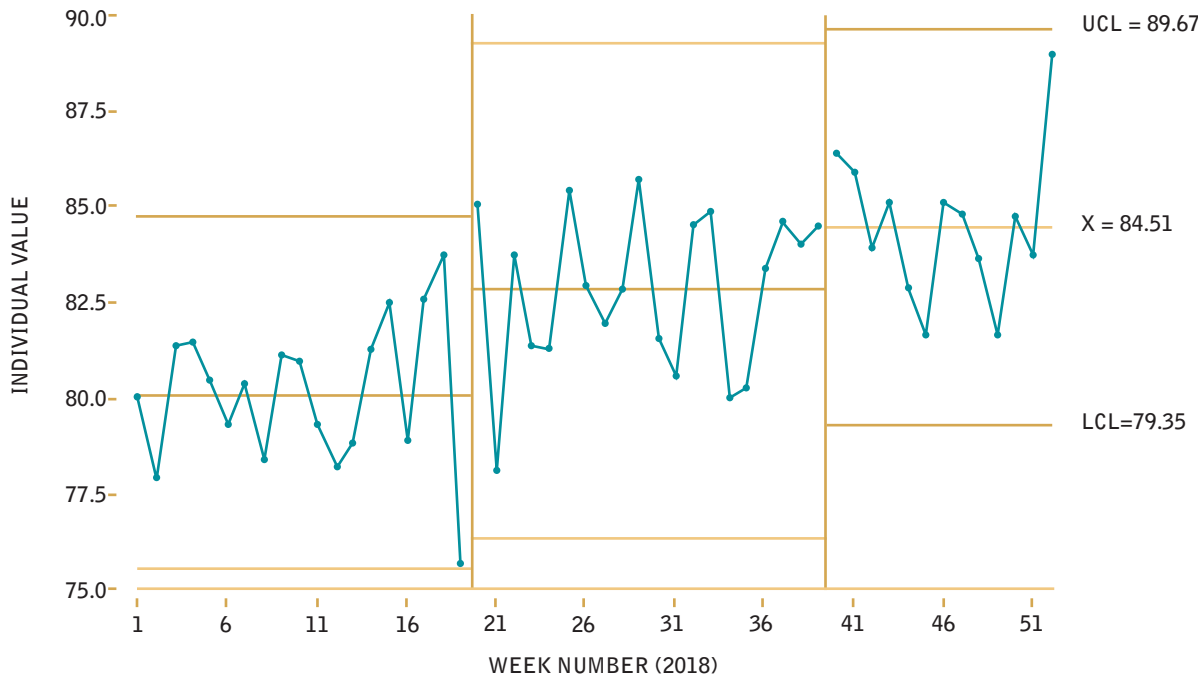
SCHEDULE FAST 24/7 ONLINE

EMPATHY AND COMMUNICATION TRAINING INCREASES NET PROMOTER SCORE

Passion For Patients™ is a training program that improves the patient experience by increasing healthcare workers' empathy through emotional intelligence and role playing. Training for SMIL employees covers basic topics such as introductions, explanations and empathy, as well as more complex issues, like service recovery and working through barriers to communication. Staff learn new methods of interacting with patients and how to embrace the mindset of putting themselves in their patients' shoes. After two training sessions for the Medical Registration employees, the net promoter score increased significantly.



SHEWART INDIVIDUALS CHART: NET PROMOTER SCORE



PROCESS IMPROVEMENT: TEAL BELT

The purpose of the Teal Belt program is to give employees the tools they need to lead small-scale Process Improvement (PI) projects that will positively impact SMIL. This is not a new job opportunity; Teal Belts stay in their current role and make an impact in their department.

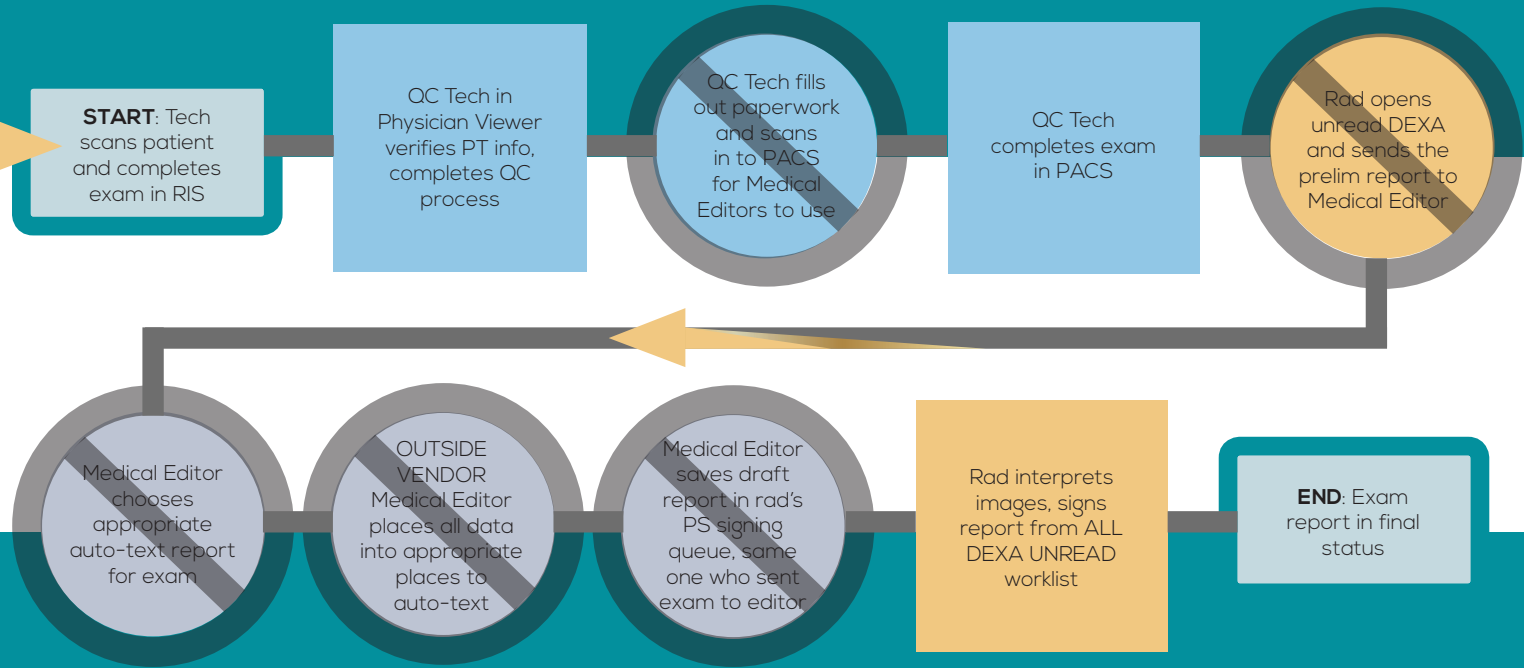
SMIL has implemented several top-down process improvements, but not as many from the bottom-up. We want to build PI capability within SMIL at all levels. Also, this is a great opportunity for employees to expand their skill sets.

Process Improvement has a rich history, and many of its roots come from Japan. For this reason, Lean Six Sigma practitioners are given titles that are karate belt colors. Traditionally, yellow belts gain a foundation in PI, learn basic tools and work on small-scale projects. We call our yellow belt program Teal Belt in honor of our SMIL branding.

DEXA WORKFLOW IMPACT

Continuous process improvement is a team sport! Collaboration between members of the quality, operations and clinical informatics teams led to a LEAN-based project to optimize the creation and delivery of DEXA exam reports. In total, five steps were removed from the process.

This project positively affects employees across the practice and benefits our referring providers as well.



PROJECT HIGHLIGHTS



Faster report
Turnaround Time



Referring providers
receive full color
graphs electronically



Outside Medical Editors
not required to create
report framework



90% reduction in
printing reports
and graphs



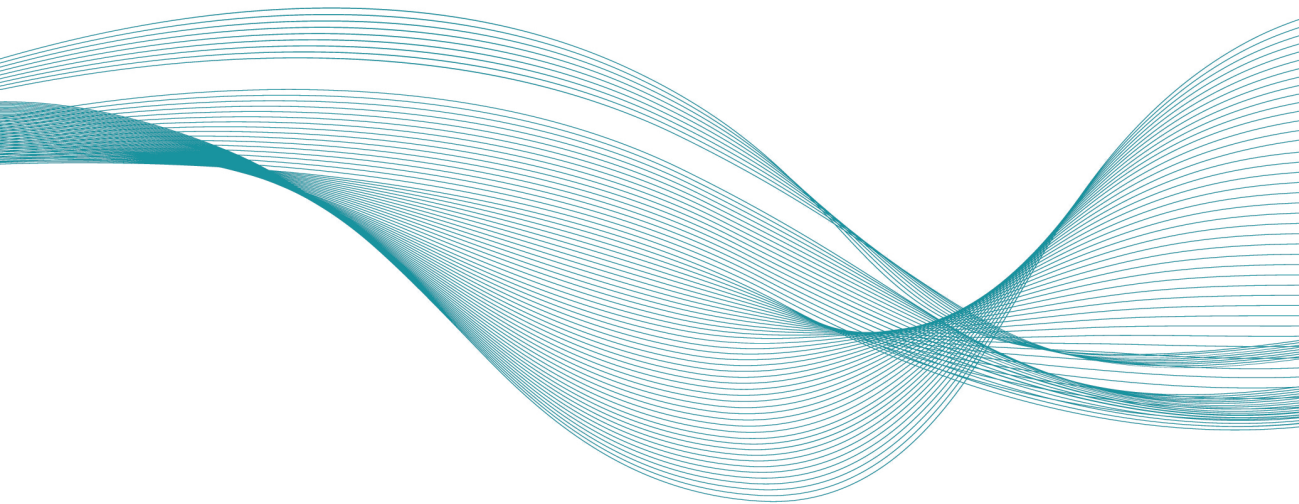
Fewer steps for radiologist
to complete report



Improved clinical content
with clearer diagnosis
and comparison

The Research Institute

of Scottsdale Medical Imaging



V I S I O N • E X P E R T I S E • S Y N E R G Y

SMIL'S RESEARCH INSTITUTE WAS THE ONLY PRIVATE PRACTICE CHOSEN FOR THE STRIVE STUDY. WE WERE IN THE COMPANY OF HIGHLY REGARDED ACADEMIC INSTITUTIONS SUCH AS CLEVELAND CLINIC, MAYO CLINIC AND SUTTER HEALTH.



QUALITY RESEARCH ADVANCES PATIENT CARE

The SMIL Research Institute's mission is to make a difference by investigating medical imaging's role in the diagnosis and treatment of diseases as well as promoting the translation of that research to enhance human health.

We have a number of novel research studies and are excited to be starting more in the next year! Below are some highlights.

STRIVE is a prospective, multicenter, observational study, sponsored by Grail, for women undergoing screening mammography (digital or tomosynthesis) to validate a blood test for detection of invasive breast cancer and other cancers. We enrolled 4,738 women at four SMIL Imaging Centers: Mountain View, Thompson Peak, Town Center and Gilbert. We will continue to collect outcomes data for at least five years on all participants.

The Tomosynthesis Mammographic Imaging Screening Trial (TMIST) is being conducted in collaboration with the ECOG-ACRIN Cancer

Research Group. This study is intended to determine whether tomosynthesis should replace digital mammography for breast cancer screening. In this instance, the protocol calls for us to follow subjects out 5 years for development of any breast cancer. This study is currently enrolling at Mountain View and will soon be enrolling at our Gilbert location.

Toray, sponsored by Toray International America (TIAM), is a study to analyze serum miRNA from women referred for breast biopsy with abnormal breast imaging classified as BI-RADS® 3, 4, and 5. Results from the blood tests will be compared to clinical data to evaluate the miRNA technology. We will enroll patients for Toray at the Mountain View and Gilbert locations.

Endocyte has contracted with us to be the primary SPECT imaging site for their research subjects nationwide. They are currently sending us patients for the imaging component of their study protocol from leading research centers across the US.

We also started a number of MR Elastography (MRE) research studies. MRE is a maturing technology that has shown the highest diagnostic accuracy in non-invasive staging of liver fibrosis. MRE studies are currently being conducted at our Gilbert Imaging Center.

We are honored to participate in these studies that keep SMIL on the leading edge of innovation.



rp radiology partners

PHYSICIANS CHOOSE NATIONAL PARTNER

THE PHYSICIANS OF SOUTHWEST DIAGNOSTIC IMAGING (SDI) JOINED A NATIONAL PRACTICE, RADIOLOGY PARTNERS, IN DECEMBER 2017. SDI was founded in 2004 through the merger of two longstanding Phoenix-area practices: Scottsdale Medical Imaging and Valley Radiologists. In 2014, a large practice, EVDI Medical Imaging, joined. With the tools and resources a national practice brings, the radiologists of SDI will continue their longstanding history of delivering quality services to their patients and communities.

Radiology Partners is the largest physician-led and physician-owned radiology practice in the U.S., with approximately 1,200 radiologists. They provide services to more than 850 hospitals, clinics and imaging centers across 18 states, with the infrastructure and capital to scale further. Radiology Partners offer diagnostic and interventional radiology services, with on-site and remote reads by local radiologists. Radiology Partners (RP) is the fastest-growing radiology practice in the U.S., with an exceptional client relationship track record that spans 40 years.



Radiology Partners works every day to transform radiology through:

- Customized educational investment in developing the best radiologists and leaders
- Deeper integration of radiology in the overall healthcare delivery process
- Clinical best practice development by a dedicated team focused on execution and quality outcomes
- State-of-the-art clinical technology for radiologists and referring physicians

OUR MISSION

To transform radiology.

OUR PRACTICE VALUES

Integrity

We are truthful with others as well as ourselves. Our words are consistent with our beliefs; our actions are consistent with our words.

Teamwork

We work together. The best of us alone cannot exceed the results of all of us together. We support, respect and value each other.

Excellence

We put forth our personal and professional best. We provide the highest level of care possible and deliver superior experiences for our patients, referring physicians and clients.

Service

We are here to serve. We strive to understand the needs of our clients, especially our patients and referring physicians and exceed their expectations.

Accountability

We take responsibility for our actions. We acknowledge that each of us has a role in the success of our practice.

“Joining RP will advance our mission of providing high-quality and value-driven healthcare to our community,” said Dr. Rod Owen, President of SMIL Board.

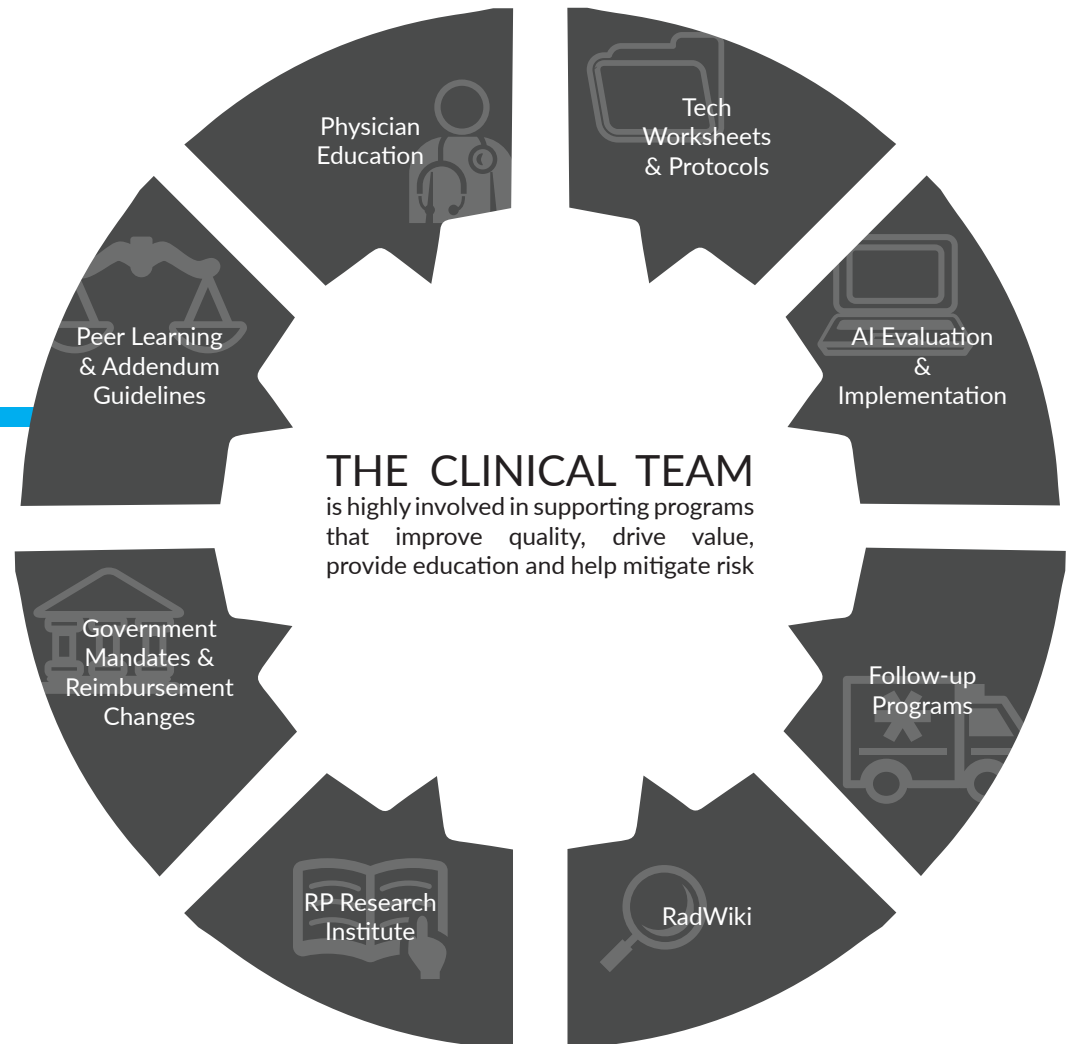
“Radiology Partners shares our commitment to these values and distinguished themselves from other potential partners with their single-specialty focus, investment in clinical innovation, emphasis on physician ownership and inspiring vision for the future of our field.”

CLINICAL VALUE

Radiology Partners is committed to transforming radiology through clinical excellence. They carefully select clinical initiatives that:

- Reduce variability
- Are evidence based
- Save patient lives
- Promote the right test for the right patient
- Reduce unnecessary utilization
- Simplify the recommendation-making process for our radiologists
- Have measurable benefits to patients in improved outcomes, as well as drive patient satisfaction and retention for health systems

“We are proud and excited that SDI has chosen to join our practice,” said Rich Whitney, Chairman and CEO of Radiology Partners. “They have a long history of providing outstanding inpatient and outpatient imaging services to communities throughout the greater Phoenix metropolitan area. SDI’s emphasis on clinical innovation, dedication to patient care, and their vision for the future of the field aligns with and will help advance RP’s mission to transform radiology.”





BEST PRACTICE RECOMMENDATION PROGRAM

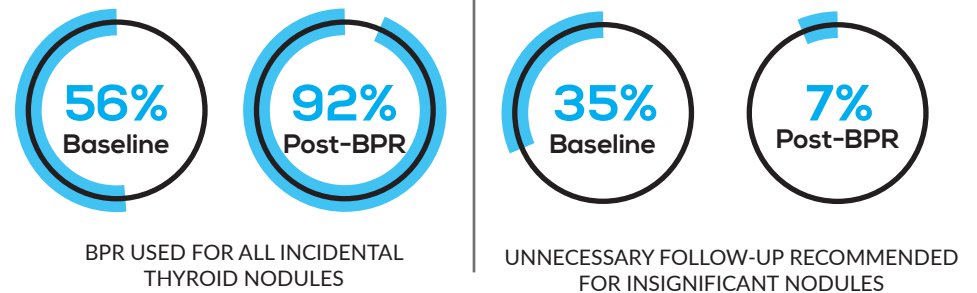
In accordance with the mission to provide high clinical quality to our patients, referring physicians and clients, RP has developed numerous Best Practice Recommendations (BPRs). These are developed through extensive literature review and with the collaboration of our radiologists across multiple specialties.

The clinical scenarios listed below were selected as areas where published literature showed high variability in the management of these findings. Additionally in the case of abdominal aortic aneurysm, timely routine surveillance of the aneurysm may lower the rate of rupture, which has up to a 90% mortality rate.

| BPR CLINICAL SCENARIO | RELEASE TIME |
|---------------------------|---------------|
| Incidental Thyroid Nodule | July 2015 |
| Ovarian Cyst | April 2017 |
| Abdominal Aortic Aneurysm | June 2017 |
| Incidental Lung Nodule | August 2018 |
| Adrenal Mass | December 2018 |

| FUTURE TOPICS |
|-----------------------------------|
| Updated Abdominal Aortic Aneurysm |
| Cystic Renal Mass |
| IVF Filter Retrieval |

As a leader in creating and demonstrating excellent clinical quality, RP conducted an intensive evaluation across seven sites to assess radiologist compliance with using the best practice recommendations for incidental thyroid nodules before and after receiving training.



Radiology Partners developed tools for radiologists to easily utilize the Best Practice Recommendations using machine learning that works in conjunction with voice recognition dictation software. The proprietary program allows the radiologist to dictate in his or her preferred style and receive suggested recommendations for each clinical BPR scenario, as well as enhanced compliance with billing requirements.

RP is committed to excellence and accountability. They consistently monitor BPR compliance and provide feedback to all practices. This is accomplished via machine learning with a custom natural language processing tool that can “read” the thousands of reports created by RP radiologists each month. Individuals receive analysis of his or her work, as well as the performance of their local practice and the national practice on a monthly basis.



PHYSICIAN LEADERSHIP

CLINICAL VALUE

PERFORMANCE OPTIMIZATION

SERVICE EXCELLENCE

PATIENTS FIRST

By their very nature, quality and process improvement represent an ever-changing journey. We view the challenges ahead as opportunities to learn for the betterment of our practice. In doing so, we will improve the care we provide our patients, the caliber of service we deliver to our referring providers, hospital clients and the communities we serve.



SMIL
MEDICAL IMAGING
AFFILIATED WITH SOUTHWEST DIAGNOSTIC IMAGING LTD.