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## SUMMARY

Frank Stevens is a Managing Director in the BRG Health Analytics group. He was a former Principal in the National Life Science, Health Care and Government Industry practice of Deloitte Financial Advisory Services LLP and was the national health plan “heavy-sector” partner with over 30 years of experience in health and managed care operations. He applies his 33-plus years of senior leadership, operations experience, and strategy expertise to assist state and federal regulators, hospitals, health plans, physicians, ancillary providers, lenders, counsel, and state and federal courts regarding managed care litigation, strategy development, and implementation regarding industry policy changes, financial and operational improvement, turnaround and insolvency matters, forensic investigations, alleged state regulatory, Medicaid, and CMS regulatory noncompliance, including CMS regulations specific to Medicare Advantage Marketing Guidelines, labor and human resource issues, third-party administration, reinsurance, and workers compensation matters.

His experience includes the turnaround of five financially troubled HMOs, the development of a national PPO network serving 300 payers/insurance/self-funded employers/managed care clients in 41 states, and the introduction and implementation of managed care networks and utilization management in the South African insurance environment. He developed and established reimbursement rates (fee schedule amounts for health care professionals (physicians and ancillary providers), and per diems, case rates, package rates, and DRG amounts for hospitals and academic medical centers) for 10 years across 41 states. He is experienced in managed care contracting, provider credentialing, claims processing and benefit administration, provider fraud and abuse detection, and provider profiling based on billing practices and quality outcomes. His experience also includes the areas of benefits development, utilization management, and quality assurance policy and procedures. His experience includes health, dental, and vision HMO/benefit programs, PPO benefit programs, Medicare, Medicaid, and workers compensation MPN programs.

Mr. Stevens is an experienced operating executive, having performed the role of turnaround CEO/COO/CRO for five companies. He has also coached several boards of directors and management teams of health plans, hospitals, and ancillary providers in the development and implementation of successful turnaround plans.

Mr. Stevens consults with hospitals and academic medical centers regarding financial, operational, compliance, strategy, and merger/acquisition issues including feasibility studies for new hospital facilities, ambulatory care facilities, proton therapy, radiation oncology, and other specialized treatment programs. He has also assisted counsel and management in financial solvency issues for hospital organizations, including those with multiple regulatory violations and settlement agreements under which operations and insolvency activities required specific adherence to settlement requirements. He has also conducted analysis of hospital financial performance and development of forward-looking projections regarding

solvency and options regarding refinancing and merger/acquisition options. Lastly, he has conducted investigations on behalf of hospital clients regarding allegations of compliance violations, misuse of funds, embezzlement, and theft.

Mr. Stevens has been appointed conservator of three organizations and has been appointed a Responsible Person in the bankruptcy court and a monitor in two state regulatory actions. He has also conducted investigations for state conservators and special examiners in the bankruptcy court.

Mr. Stevens has served as a trustee for both commercial and personal trusts and has conducted forensic investigations of trustees and their fiduciaries on behalf of clients. He has conducted investigations for trustees of fiduciaries and their actions, and has created trusts and installed trustees to administer trusts.

Mr. Stevens has been retained by the California State Attorney General to conduct investigations and has provided advisory services to the Department of Justice regarding antitrust issues.

Mr. Stevens has provided financial and advisory services to the Regents of California on behalf of its academic medical centers regarding future facilities, feasibility of proposed programs to be located in facilities to support the cost of construction and ongoing operations, and analysis and advice regarding existing and future programs that expand the breadth and scope of services into the community, and ACO development.

Mr. Stevens provides guest lecture time for Ohio University's College of Health Sciences and Professionals and the Voinovich School of Leadership and Public Policy. He is the chair of the Dean's Advisory Council for the College of Health Sciences and a trustee for the Ohio University Foundation.

Mr. Stevens is also experienced in facility construction, having prepared the feasibility studies for five healthcare facilities, managed the bidding and contactor selection process, coordinated as the corporate representative with architects and general contractor, reviewed and approved payment for each phase of construction, and coordinated departmental timeline for opening of the facilities.

## **PROFESSIONAL EXPERIENCE**

### *California HMO Regulatory*

- Since 1999, Mr. Stevens has completed assignments for or on behalf of the Department of Corporations and the Department of Managed Health Care (collectively Department) or coordinated with them on issues related to health plan operations and their delegated UM and claims organizations that included utilization management, claims payment and provider billing issues for both health plan contracted and non-contracted providers. Mr. Stevens has conducted routine and non-routine operational / financial examinations of multiple California Group health and Dental Health plans and has been the monitor for a health plan and an IPA/MSO. Mr. Stevens has also assisted health plans with regulatory disputes with the Department in the development and implementation of acceptable Corrective Action Plans and has completed several material modification submissions related to licensing of health plans. Mr. Stevens has been appointed by the Department as Conservator of three plans and has served as the independent Monitor for regulator /plan/ provider settlements. As the Responsible Person in the Federal Bankruptcy Court, Mr. Stevens coordinated with the DMHC and licensed plan addressing the issues of 11 plus million patient medical records.

### *Corporate Compliance*

- Mr. Stevens has led teams of consultants to complete non-routine examinations of managed care and provider organizations specific to alleged noncompliance issues, or evaluated the corrective action plan of companies on behalf of regulatory agencies. Mr. Stevens has conducted investigations under privileged on behalf of health care clients regarding potential noncompliance with state and federal regulations and laws and assisted counsel and clients in completing the necessary disclosures. Mr. Stevens is also called upon by corporate clients who seek his assistance as an intermediary with regulators, and in the development and implementation of corrective actions plans.

### *Medicare/Medicaid*

- Mr. Stevens has experience as a consultant to organizations and as a regulatory appointed conservator specific to Medicare and Medicaid compliance and health plan / dental plan operations. Mr. Stevens has been conservator of a Medicaid dental plan and conducted a special review for regulators of a second Medicaid dental HMO. Mr. Stevens was also conservator of a health plan where a majority of the membership was Medicaid and is currently serving as the turnaround COO for a Medicaid HMO that is under conservatorship.

### *Investigations*

- Mr. Stevens has conducted forensic investigations of health care companies and management regarding alleged fraud, regulatory violations, theft, and white collar crime. Mr. Stevens has been retained by regulators, boards of directors, and the California State Attorney General to conduct forensic investigations. Mr. Stevens has worked on fraud issues in South Africa and Canada, and has worked with organizations in Great Brittan, France, Turkey, Japan, and Italy regarding health care operations and potential fraud schemes. He has also conducted consulting engagements with US firms regarding internal processes and procedures specific to FCPA. Mr. Stevens has also assisted in the development of a fraud response team program for a national title insurance company including development of specific investigation techniques and approaches to conducting investigations in coordination with counsel and law enforcement. Mr. Stevens has also provided training programs to corporate compliance and legal departments regarding conducting investigations.

### *Litigation Settlement Discussions*

- Mr. Stevens is often called by counsel to assist as a consulting expert and as a testifying expert relative to contractual disputes between payer and providers, health care software disputes, claims disputes, bad faith business practices, and corporate structure related to “piercing the corporate veil. Mr. Stevens is also retained by regulators and State Attorney Generals to provide advice, analysis, and expert testimony relative to payer and provider disputes with State Governmental agencies.

### *Provider Operations and Financial modeling*

- Mr. Stevens has provided consulting expertise to health care providers including medical groups, IPAs, Physician – Hospital organizations, Federally Qualified Community Health Centers. Mr. Stevens has worked with academic medical centers, physician owned hospitals, not for profit hospitals/medical centers and a church owned hospital systems regarding the assessment of overall financial performance, operational effectiveness and service offerings, profitability of specific clinical programs, viability of funding new programs, cost reduction and implementation

expense for electronic medical records, opportunities to restructure existing financing, and detailed financial modeling of future performance incorporating the potential impact of health care reform legislation on revenue and operating margin. In addition Mr. Stevens has experience managing, licensing, and budgeting for a large FQHC serving 10,000 patients per month and conducting financial analysis for ESRD related services.

#### *Strategic Advisory*

- Mr. Stevens has worked with payers and providers regarding the development of specialized treatment programs for patients that is inclusive of cardiac, orthopedic, transplant, dialysis, behavioral health, and pediatric programs. His work also includes leading a hospital system through an analysis of the opportunity to develop a regional hospital network via acquisition, payer analysis of implementing regional and national centers of excellence programs, and employer coalition analysis of regional provider organization's specialized programs that included comparison of outcomes, cost per procedure, and willingness of patient populations to utilize specialized programs including willingness to travel past their current provider of choice. Mr. Stevens has also conduct analysis to determine future patient population demand for services including both inpatient beds by type of service and emergency room department demand.

#### *Labor Relations/Human Resource Allegations*

- Mr. Stevens has provided consulting expertise to clients relative to organized labor contract negotiations and has assisted counsel in National Labor Relations Board complaint defense. Mr. Stevens has also provided consulting services to organizations related to reductions in force and terminations of employees regarding nonperformance, and noncompliance with company policy including anti-fraud, false claims, and anti-kickback. Mr. Stevens has provided consulting and expert testimony in situations involving allegations that included wrongful termination regarding age, race, and "whistle blower."

#### *Class Action*

- Mr. Stevens has been retained to assist counsel relative to differentiating classes of claimants, provide analysis relative to allegations, and provide expert testimony. In addition, Mr. Stevens has provided oversight relative to settlement distributions to claimants of settled cases. Mr. Stevens has provided "Fairness Reports" to both state and Federal courts, including class action settlement between plaintiffs and Blue Cross of California related to a claims system error and in Federal court for the settlement First State Orthopaedics, Roy Lerman, M.D. and all others similarly situated plaintiffs v. Concentra.

#### *Due Diligence Compliance Assessment*

- Mr. Stevens has completed several assignments to identify non-compliance issues and assist the organization in the development and implementation of a corrective action plan. Mr. Stevens is also retained to assist clients in developing and maintaining relationships with regulators, and assisting clients with presentations to regulatory agencies. Mr. Stevens's skills have also been utilized to assist clients in completing due diligence procedures prior to the acquisition of operations or the commitment of funding.

#### *Voluntary Disclosure, Anti-Kickback, Stark, False Claims Litigation, Fraud*

- Mr. Stevens has been retained to assist clients and counsel in the collection of data, analysis, and presentation of information related to Compliance issues. Mr. Stevens has conducted interviews of employees specific to allegations of fraud, anti-kickback, and false claims. Mr.

Stevens has negotiated settlements on behalf of clients regarding cost report disputes and directed the research and analysis of data that supported the negotiations. Mr. Stevens has assisted counsel in the defense of Federal criminal and civil actions relative to false claims allegations and has prepared damage estimates for use in settlement negotiations. Mr. Stevens has also assisted counsel through the analysis of information and preparation of reports relative to voluntary disclosures, and defense of stark allegations. Mr. Stevens has completed assessments of compliance programs and investigations under privilege of providers programs such as renal transplants.

#### *Payer–Provider Contracting*

- Mr. Stevens is an expert in the area of payer provider contracting, retained by both payers and providers in contract disputes. Mr. Stevens has negotiated or directed the negotiations of over 140,000 physician contracts and 15,000 facility contracts including hospitals, DME, pharmacy, PBMs, home health care, laboratory, and imaging contracts. Mr. Stevens established physician reimbursement levels for 10 years for physicians in 41 states. Mr. Stevens has conducted contractual audits of provider, TPA, and PBM contracts with health plans.

#### *Health Care Software*

- Mr. Stevens has assisted organizations in the identification, purchase and implementation of health care software and systems for both health plans and medical groups. Mr. Stevens has extensive experience in analyzing operational and financial problems and tracing issues back to software issues, the identification of the appropriate set up modifications, and implementation and testing of remedial efforts. In addition, Mr. Stevens has provided expert testimony regarding issues specific causation and damages regarding distressed software implementations.

#### *Compliance Training Development*

- Mr. Stevens provides training to regulator agency staff regarding financial and operational assessments of companies. The training programs are focused on increasing analyst ability to integrate observations of operational indicators with financial performance to identify symptoms of potential organizational difficulties. Mr. Stevens has also provided training to corporate compliance departments regarding conducting internal investigations.

## **EDUCATION**

MBA	Nova Southeastern University, 1983
BGS	Ohio University, 1973

## **EXPERT TESTIMONY**

Mr. Stevens has testified in Federal and State courts, arbitration hearings, and depositions including issues regarding payer, provider, and patient contractual disputes, provider class action, patient class action, physician-network participation disputes, utilization management, software implementations, workers compensation, and theft/misuse of confidential, trademark and client information. In addition Mr. Stevens has provided testimony as the regulatory and court appointed Conservator in matters related to payer–provider disputes and regulatory compliance.

The following is a sample list of cases where Mr. Stevens has testified as an expert:

- 2012 Tenet v. Blue Shield of California
- 2011 South Florida Physician Network v. United Health Care
- 2010 Douglas Rogers, MD v. CorVel Health Care
- 2006 First State Orthopaedics, Roy Lerman, M.D. and all others similarly situated, plaintiffs v. Concentra
- 2006 Tenet v. El Paso First Health Network
- 2006 Tenet v. CIGNA
- 2006 Watanabe v. Blue Shield
- 2006 SAFECO v. DHR
- 2006 Arroyo Seco et al. v. Physician Associates and Dr. Wald
- 2005 Robert Loiseau, Special Deputy Receiver of American Benefit Plans, et al. v. Robert David Neal, et al. (2005)
- 2005 John Muir Mt Diablo v. Health Net of California
- 2005 Tenet v. Molina Medical Centers
- 2005 Sutera v. SCAN Health Plan of California
- 2005 Saint Agnes Medical v. PacifiCare of California
- 2005 Caremore Medical Group v. Downey Regional Medical Center
- 2005 Helix v. CHRYSCAPITAL
- 2005 Palm Medical v. State Compensation Insurance Fund
- 2005 Ace Reinsurance v. Oxford Health Plans
- 2004 Safeco Insurance v. DHR
- 2004 South Coast Hospital vs Monarch Medical Group
- 2004 Class Plaintiffs v. Dameron Hospital Association
- 2003 Catholic Health Care West v. Blue Shield of California
- 2002 Lynn Bertram v. Magellan Behavioral Health