

From: "James P. Mason"
Date: Nov 6, 2017 8:26 AM
Subject: SynerMed
To: DL-SynerMed Employees ALL <DLSynerMedEmployeesALL@synermed.com>
Cc:

Dear SynerMed Employees,

I am writing you with an incredibly heavy heart filled with disbelief. Last week, I informed you that I discovered certain internal control issues within the Medical Management Department. Well, as a result of the manner in which those issues were disclosed to the health plans and regulatory agencies, we have been subject to unannounced audits by almost all of our health plan partners. To say it overwhelmed our organization is an understatement. The health plans found several system and control failures within Medical Management and other departments, and a couple significant health plans are advising our clients to find another MSO. In addition, IEHP decided to terminate the Inland Valleys IPA contract.

Alpha Care Medical Group and EHS have terminated their contract with us. I anticipate that our other clients will terminate their contracts with us as well.

I am heartbroken and saddened by these events after we have worked so hard to build our reputation as a company that operates with integrity and one that is dedicated to ensuring that an underserved population. SynerMed is a company that you and I built with countless hours of hard work, personal sacrifice and team work.

This has been my life's work and my vision quest. It pains me terribly to announce that SynerMed will begin the legal and operational steps to shut down all operations.

I can imagine that you have lots of questions on your mind with an important one being - "what does this mean for me?" I am working through the details of the transition of our clients to another MSO within the next 180 days. My hope is that many of you are able to continue your employment with a new MSO. I have received numerous calls from leaders of those organizations extolling our staff and the capabilities and innovations at SynerMed as the envy of the industry.

For those of you who will not be picked up by a new MSO, I commit to helping you make the transition from SynerMed. The timing of all of this is still very uncertain. It's likely to take a significant amount of time to migrate the business. In the interim, however, there are positions within SynerMed that are no longer needed and we plan to implement immediate layoffs.

Those affected individuals will hear from me directly this week. For everyone else, I ask that you continue doing your best work in the coming months, since we still have members to serve and that remains our priority.

I will continue to update you as things become clearer. I wanted to tell you all of this myself now, so that you didn't hear about it from outside parties.