

PHOENIX BUSINESS JOURNAL

ARIZONA CORPORATE EXCELLENCE

MOST PRODUCTIVE & FASTEST GROWING COMPANY

IN A TIME OF CRISIS, THIS COMPANY ANSWERED THE CALL

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Like the mythical phoenix rising out of the ashes, TriWest Healthcare Alliance has done its share of reinventing itself.

The Phoenix-based company's growth over the past year landed it at the top of the Arizona Corporate Excellence awards in both top categories – Arizona's Most Productive Private Companies, with the largest revenue number, and Arizona's Fastest-Growing Companies, ranking by percentage growth.

That growth was in response to a crisis, which led to \$5.1 billion in 2019 revenue, said David McIntyre Jr., president and CEO of TriWest, who separately also was recently awarded the 2020 Congressional Medal of Honor Society Patriot Award.

With an existing contract from the Department of Veterans Affairs to help military veterans connect with doctors and other health providers outside of the VA Health System when the VA system gets overloaded with patients in a 14-state region, TriWest was approached by VA in October 2018 to temporarily take over a



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DAVID MCINTYRE, CEO,
TriWest Healthcare
Alliance

similar contract for the remaining states after the VA terminated its contract with HealthNet Federal Services.

The VA asked TriWest to cover the other states while searching for a replacement for HealthNet.

“They gave us 90 days to cover the rest of the country,” McIntyre said. “We had to expand our processes and bring a network together to make that work. We grew our network to 710,000 providers. We’ve facilitated over 32 million appointments supporting the VA.”

That 90-day climb started on Dec. 7, 2018, in honor of National Pearl Harbor Remembrance Day.

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TRIWEST HEALTHCARE ALLIANCE

PRESIDENT/CEO

David
McIntyre Jr.

HEADQUARTERS

Phoenix

YEAR FOUNDED

1996

EMPLOYEES NATIONWIDE

2,000

EMPLOYEES IN ARIZONA

1,000

2019 REVENUE

\$5.1 billion

That day was selected as a reflection of the intensity that had been shaped by a generation of this nation's veterans and to make sure the TriWest team lived up to their example by stretching themselves appropriately in service to them, McIntyre said.

"It took both us and the VA to do that," he said. "It was a real partnership to make that work happen. It was a lot of elbow grease. We did it for this one purpose: to make sure that those people who served our country got the best of what we were able to deliver."

Optum, which is part of United-Health Group Inc. (NYSE: UNH), now has that 36-state contract for the VA Community Care Network.

"We never intended to serve the whole country," McIntyre said. "We did it temporarily. We were able to stretch ourselves for the purpose of veterans in the country from other than our native geography."

TriWest nearly doubled its staff, growing to about 3,000 employees, while its capital balance jumped from \$250 million to \$750 million to ensure enough was in reserves to provide timely payments to health providers on behalf of the VA.

"We had to have a lot more capital because we pay the government's bills and they reimburse us," he said.

Now, TriWest is in the process of whittling back down to its own service area, but with the addition of Alaska. McIntyre said he did not attempt to bid on the other states to maintain a contract serving the entire nation.

"We did it because we were asked to do it; because it's our responsibility as fellow citizens," he said.

'Demand picking up'

Today, TriWest has about 2,000 employees – which is lower since the start of the year not only because it is turning

over those 34 states to Optum but because there have been fewer doctor's appointments to book during the coronavirus pandemic.

But that's not to say TriWest is now on a downward spiral because it's going back to its 14-state region, McIntyre said.

"It's not a one-time blip," he said.

Its contract with the VA Health System is on track to generate \$5 billion within the next fiscal year.

"It's not going to be a roller coaster," he said. "The demand is picking up as we change geography. It's going to be reasonably stable in terms of the amount of work that we need to produce for the VA."

Most of its employment growth will be at its Phoenix base, with plans to narrow employment hubs from an existing 10 markets to footprints in Hawaii, Alaska and El Paso, Texas.

This wouldn't be the first time TriWest has had to pivot. The company has a long list of innovations as government contracts have come and gone.

TriWest was founded in 1996 to handle a \$2.5 billion federal CHAMPUS TriCare contract to provide medical services to veterans and their families in 16 states.

Over the years, its contract with the U.S. Department of Defense grew to a \$17 billion deal – until it lost the military contract in 2012.

When whistleblowers uncovered the lack of timely care for veterans within the VA health system – TriWest collaborated with the VA to ensure veterans receive care from health care providers outside of the VA system in a timely manner.

"Our job is to make sure there's a network that wraps around the VA so they can send that veteran to a provider in order to get care," McIntyre said.

It's been quite a ride, said McIntyre, who has been the founding president and CEO since the company's inception in 1996.

"You always hope you can look at the moments you've been through and they will have counted for something that matters," he said. "Every one of us can say without question that we've been accessible, we've been available and we've stood up to the challenge. You can't ask for anything more than that."