

Summary of Arrangement Conducted Under the Medicare ACO Pre-Participation Waiver Emergent ACO, LLC

Pursuant to the Final Rule on “Medicare Program; Final Waivers in Connection with the Shared Savings Program,” published in the Federal Register on October 29, 2015 at 80 FR 66726, an organization applying for participate in the Medicare Shared Saving Program as a Medicare Accountable Care Organization (“ACO”) may seek waiver protection for certain pre-participation arrangements that, among other things, are reasonably related to the purposes of the Medicare Shared Savings Program. Emergent ACO, LLC (“Emergent”) is a Tennessee Limited Liability Company formed for the purposes of applying to participate in the MSSP on behalf of Participant Group Practices. Pursuant to the Final Rule, Emergent seeks waiver protection for the arrangement described below.

Emergent is acting with the good faith intent to develop and ACO that will participate in the Medicare Shared Saving Program beginning in 2019 (the “Target Year”). Emergent is taking diligent steps to develop an ACO including the following (the “Start Up Activities”):

Network Development

Emergent is a new organization taking diligent steps to apply to participate in MSSP beginning with performance year 2019. In order to develop a sufficient primary care ambulatory network and meet the minimum Beneficiary requirements, Emergent will meet with existing and prospective Participating Group Practices (“Network Development Meetings”) during the Pre-Participation Period. Network Development Meetings are reasonably related to the purposes of the MSSP by promoting accountability for the quality, cost, and overall care for a Medicare population and procuring a commitment from prospective Participating Group Practices to participate in the Emergent ACO and uphold the purposes of MSSP. Network Development Meetings also involve encouraging the prospective Participating Group Practice to invest in infrastructure and redesigned care processes for high quality and efficient service delivery for patients. These meetings are one of Emergent’s most important Pre-Participation functions and are necessary to its success. Emergent plans to use highly qualified executive leadership with a proven track record in addressing these goals in the context of MSSP.

Information Technology

During the 2018 Pre-Participation Period, Emergent will enter a Data Infrastructure Agreement with OnePartner for the provision of a data infrastructure between and among the ACO, the OnePartner HIE and each Participant’s electronic health record and practice management systems covering the following:

1. Construction of interfaces;
2. Health Information Exchange (“HIE”) onboarding, implementation and provision;
3. Implementation of the dbMotion Agent at each practice location;

4. Implementation of a dedicated DataMart for the ACO;
5. Implementation of stand-alone nSights Module for each practice which will be a part of the dbMotion Agent and permit the ACO to communicate with the practitioner at the point of care regarding gaps in care, care coordination, best practices and other matters related to operation of the ACO and the MSSP requirements.

Emergent believes the above Information Technology items are reasonably related to the MSSP program. They enable Emergent to be accountable for the quality, cost and overall care for the assigned Medicare population by (i) enabling real-time analysis of patient data and encounters and permitting Emergent to communicate evidenced-based medicine standards and MSSP quality metric gaps for the relevant patient directly with the providers at the point of care, which assists Emergent to meet the clinical integration requirements of MSSP; (ii) collecting longitudinal data on beneficiaries necessary to report on quality and cost measures; (iii) using longitudinal data on beneficiaries to evaluate the health needs of Emergent's assigned population.

These services also enable Emergent to manage and coordinate care for Medicare fee-for-service beneficiaries by centralizing patient data to be used internally by Emergent's care coordination team.

In addition, the services permit Emergent to invest in infrastructure and redesigned care processes for high quality and efficient service delivery by delivering evidenced-based medicine guidelines, collecting data for coordinating care, meeting clinical integration requirements by providing standardized care protocols at the point of care, meeting the quality performance standards of MSSP by delivering MSSP quality gaps for the relevant patient, and providing a data repository necessary for evaluating the health needs of patients.

Clinical and Administrative Systems

Emergent will depend on extensive clinical and administrative systems for its daily operations. During the Pre-Participation period, Emergent will work closely with Participating Group Practices to address the following Clinical and Administrative Systems issues:

1. Reporting;
2. Population Health Management and Clinical Care Coordination;
3. Operations Board Review & Coordination.

Emergent believes that assisting Participating Group Practices to meet reporting requirements is reasonably related to promoting accountability for quality cost and overall care for the Medicare population and encourages investment in infrastructure and redesigned care processes for high quality and efficient services delivery by (i) orienting practices to the requirements of data gathering; (ii) adhering to chosen quality metrics for a given population over time; and (iii) reporting on quality metrics. In addition, many of the requirements for reporting become the responsibility of Emergent during an MSSP Performance Year and development of these structures aids Emergent during 2019. Finally, CMS has acknowledged the early reporting is a priority item to gain reporting experience, see generally 76 FR 67836 regarding PQRS GPRO reporting.

As Participating Group Practices sign participation agreements with Emergent, OnePartner will run algorithms to determine prospective Beneficiary assignment. Emergent will use this data to analyze the health of the prospective Beneficiary population for the purposes of Population Health Management and Clinical Care Coordination. This work effort is directly related to taking accountability for the quality, cost, and overall care for a Medicare population as well as managing and coordinating care for Medicare fee-for service Beneficiaries by (i) informing care coordinators and the Operations Board on specific health issues that must be addressed; (ii) permitting committee participants to begin to evaluate those areas where evidenced based medicine standards need to be developed for the ACO; (iii) address care utilization management, chronic disease burden and patient education; (iv) determine full time staffing levels for care coordination and other positions; (v) develop standards for Beneficiary access and communication; and (vi) determine any needs for patient remote monitoring, telehealth or other technologies.;

The foregoing tasks must be overseen by a strong leadership and administrative team. Emergent proposes to develop an Operations Board to review the data as discussed above. Initially, the Operations Board would consist of representatives from those Participating Group Practices that have signed a participation agreement with Emergent. The Operations Board is reasonably related to all three purposes of MSSP: (i) promoting accountability for the quality, cost, and overall care for a Medicare population as described in the Shared Savings Program; (ii) managing and coordinating care for Medicare fee-for service beneficiaries through an ACO; and (iii) encouraging investment in infrastructure and redesigned care processes for high quality and efficient service delivery for patients, including Medicare beneficiaries; by placing participants in charge of overseeing functions, and recommending to the Board of Emergent, activities that directly address the purposes of MSSP.

Legal and Consulting Services

During the Pre-Participation phase of an ACO, there are significant legal and consulting fees relating to meeting the significant number of statutory and regulatory requirements, the proper drafting of participant agreements and other legal relationships, the formation of appropriate corporate and governance structures, as well as the proper drafting of the ACO's application to participate in MSSP as well as proper drafting of a compliance plan, conflicts of interest policies and other matters as needed. Emergent will retain sufficient legal and consultant expertise. Emergent believes that these activities are reasonably related to all three purposes of the MSSP: (i) promoting accountability for the quality, cost, and overall care for a Medicare population as described in the Shared Savings Program; (ii) managing and coordinating care for Medicare fee-for service beneficiaries through an ACO; and (iii) encouraging investment in infrastructure and redesigned care processes for high quality and efficient service delivery for patients, including Medicare beneficiaries; because, without these services, Emergent would be unable to meet the legal entity requirements of MSSP and to use that entity, its leadership and management structure, contracting ability, and financial systems to attempt to address the triple aim.

In order to fund the Start Up Activities, as described above, Emergent has made and duly authorized a *bona fide* determination, consistent with a duty to the ACO that is equivalent to the duty owed by ACO governing body members under 42 CFR 423.108(b)(3) to enter an agreement (the "Start Up Arrangement") with Quest Diagnostics, Incorporated ("Quest"). The date of the Start Up Arrangement is March ___, 2018. Under the Start Up Arrangement, Quest has agreed to

provide funding for the Start Up Activities. Emergent believes that the Start Up Arrangement is reasonably related to all three purposes of the MSSP: (i) promoting accountability for the quality, cost, and overall care for a Medicare population as described in the Shared Savings Program; (ii) managing and coordinating care for Medicare fee-for service beneficiaries through an ACO; and (iii) encouraging investment in infrastructure and redesigned care processes for high quality and efficient service delivery for patients, including Medicare beneficiaries; because, without this support, Emergent would be unable to fund the Start Up Activities, as described.

Emergent desires that the Start Up Arrangement, as described above, be protected by the Pre-Participation Waiver, all as set forth at 80 FR 66742.

Emergent has documented its authorization of the Pre-Participation Waiver through adoption of a resolution and other contemporaneous documents and has documented, and will continue to document, its diligent steps to develop an ACO.