ACO PRE-PARTICIPATION AND PARTICIPATION WAIVERS

Background

In an effort to foster the goals of the “Triple Aim” of improved patient experience, improve health of populations and reduced healthcare expenses, Carroll County Med-Services, an affiliate of Carroll Hospital Center, formed Carroll PHO, LLC, which in turn formed Carroll ACO, LLC for the purposes of creating a Medicare Shared Savings Program ACO, which was approved in 2014 by CMS as a part of the 2015 cohort of new ACOs.

Furthermore, Carroll Hospital Center, in an effort to foster the goals of the Triple Aim, and also to benefit from the incentives afforded to it through the State of Maryland Hospital Rate Commission (HSCRC) program of “Total Patient Revenue” has independently developed an array of clinical integration programs designed specifically to improve population health, to provide comprehensive medical management, and to reduce hospital expenses.

Carroll Hospital Center nominated 4 members of the Board of Carroll ACO and applied to be a Participant of Carroll ACO. The governing bodies of both Carroll ACO and Carroll Hospital recognize that the goals of both organizations are aligned and that the current and contemplated programs of clinical integration developed by Carroll Hospital Center are synergistic to programs that are contemplated by Carroll ACO. Both parties recognize that duplicative programs of clinical integration would be counter to the Triple Aim and would unnecessarily increase the cost of care and complicate population health initiatives.

To ensure the arrangement is compliant with federal law, the parties are using the ACO waiver process established by the Centers for Medicare & Medicaid Services (“CMS”) and the Office of Inspector General of the Department of Health and Human Services (“OIG”).

Description of the Arrangements

Arrangement #1 (ACO Participation Waiver): Under an arrangement, Carroll Hospital Center and its affiliates will afford Carroll ACO the benefit of usage of its clinical integration programs, to include health services delivery, information technology and data management, and programmatic leadership and expertise.

The parties to the arrangement are Carroll Hospital Center, Hospital-affiliated organizations that are also ACO Participant applicants, and Carroll ACO, during the 1 year period of pre-participation of Carroll ACO as well as the initial period of participation of Carroll ACO in the Medicare Shared Savings Program. The purpose of the arrangement is for population health management activities of Carroll ACO.

Population health management of Medicare beneficiaries assigned to Carroll ACO is an essential component of Carroll ACO’s activities. Collaborating with the independently established clinical integration programs of Carroll Hospital Center is important to enable Carroll ACO to perform its activities in a manner that meets the goals and purposes of the Medicare Shared Savings Program.
Program through the development and implementation of care coordination processes to promote the three-part aim of better care for individuals, better health for populations, and lower growth in expenditures for Medicare fee-for-service beneficiaries.

**Arrangement #2 (ACO Participation Waiver):** In 2016, the ACO Board approved the disbursement of funds on behalf of the ACO from Carroll Hospital Center, Inc., to other ACO Participants for the other Participants’ time, effort and expense in beneficiary medical record abstraction of quality care data required by CMS. In addition, Carroll Hospital Center, Inc. has been given authority to hire certain vendors, if determined by the ACO to be needed, to support quality care reporting and care management activities of the ACO. The compensation to the other Participants and procurement of vendor services support the additional investment required to better manage the health care needs of Medicare beneficiaries attributed to the ACO in an effort to improve health outcomes and lower growth in expenditures for the Medicare fee-for-service beneficiaries.