

## Summary of Arrangement Conducted Under the Medicare ACO Participation Waiver

### Emergent ACO 23.1, 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 participation arrangements that, among other things, are reasonably related to the purposes of the Medicare Shared Savings Program. Emergent ACO 23.1, LLC (“Emergent”) is a Tennessee Limited Liability Company that has entered into a participation agreement under the Medicare Shared Savings Program with the Center for Medicare and Medicaid Services (“CMS”) and is in good standing under that agreement. Pursuant to the Final Rule, Emergent seeks waiver protection for the arrangement described below.

The parties to the arrangement are Emergent ACO 23.1, LLC, and Quest Diagnostics, Inc. (“Quest”). Under the arrangement, Quest will make payments to Emergent based on the number of ACO participating providers who use Emergent’s chosen information technology vendor for the provision of care to their assigned Medicare Beneficiaries and for general management purposes. Quest will also assist Emergent in the establishment of a clinical laboratory testing advisory board and the development of recommended guidelines and protocols for clinical laboratory testing.

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 for the above described purposes (the “Arrangement”) with Quest Diagnostics, Incorporated (“Quest”). The date of the Arrangement is effective January 1, 2023. The Emergent Board of Directors believes that the Arrangement is reasonably related to the purposes of the Medicare Shared Savings Program as follows:

#### **Infrastructure provision**

Emergent has been developing an infrastructure to support its operations through its management company, OnePartner Health Solutions. This includes an executive leadership / management team as well as populating various committees necessary to operate Emergent on an on-going basis. This infrastructure is necessary to properly manage the day-to-day operations of Emergent and to continue to develop the policy and accountability structures necessary to meet the terms of the MSSP. This infrastructure is reasonably related to the purposes of the MSSP by encouraging investment in infrastructure and redesigned care processes for high quality and efficient service delivery for patients, including Medicare beneficiaries.

#### **Network Development and Management**

In order to continue to develop a sufficient primary care ambulatory network and meet the minimum Beneficiary requirements, Emergent will continue to meet with existing and prospective Participating Group Practices (“Network Development Meetings”) during each Performance Year.

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, procuring a commitment from prospective Participating Group Practices to participate in the Emergent ACO 23.1 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 Participation functions and are necessary for its long term success. Emergent uses highly qualified executive leadership with a proven track record in addressing these goals in the context of MSSP.

### **Care Coordination**

Care Coordination is a chief competency for participation in the MSSP. Coordinating care for Beneficiaries is both labor intensive and requires information technology systems in order to properly align care across multiple entities. Care Coordination promotes accountability for the quality, cost, and overall care and directly manages and coordinates care for Medicare fee for service beneficiaries. Care Coordination through the ACO also addresses appropriate reduction of costs of the Medicare Program consistent with quality of care, physician medical judgment and patient freedom of choice by encouraging consistent use of providers and suppliers who have agreed to support the purposes of MSSP.

### **Quality Improvement Mechanisms**

Emergent has a Quality Assurance committee designed to address the quality of care provided to Beneficiaries. This committee is populated with individuals experienced in quality assurance activities from each Participating Group Practice in order to review issues regarding the quality of care provided to Beneficiaries. The activities of this committee directly address the MSSP purpose to promote accountability for the quality and overall care of the Medicare Program.

### **Information Technology**

During the Pre-Participation Period, Emergent entered 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. While some of this work is ongoing, it is largely in place. Emergent believes the ongoing services to be rendered under the Data Infrastructure Agreement 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 also 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 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. Many of the requirements for reporting are the responsibility of Emergent during each MSSP Performance Year.

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 has developed an Operations Board to review the data as discussed above. The Operations Board consists of representatives from Participating Group Practices. 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 Participation phase of an ACO, there continue to be legal and consulting fees relating to meeting the significant number of statutory and regulatory requirements, the drafting of various

documents regarding legal relationships, ongoing consulting regarding appropriate corporate and governance structures. 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.

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

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