
Concert, LLC
Purchaser Contracting and Performance Distribution Plan Policy

- I. **SCOPE:** Participants and Participating Practices
- II. **PURPOSE:** To ensure that **Concert, LLC** (“CIN”) implements contracts with Purchasers and develops incentive distribution models that align Participant incentives with Purchasers to improve the health of patient populations and control cost.
- III. **DEFINITIONS:**
- A. “Clinical Integration” as defined in the 1996 Joint Statements of Antitrust Enforcement Policy in Health Care by the Federal Trade Commission and U.S. Department of Justice shall mean an active and ongoing program to evaluate and modify practice patterns by the network’s physician participants and create a high degree of interdependence and cooperation among the physicians to control costs and ensure quality. This program may include: (1) establishing mechanisms to monitor and control utilization of health care services that are designed to control costs and assure quality of care; (2) selectively choosing network participants who are likely to further these efficiency objectives; and (3) the significant investment of capital, both monetary and human, in the necessary infrastructure and capability to realize the claimed efficiencies.
- B. “Clinical Integration Program” or “CI Program” shall mean the program of Clinical Integration developed, implemented, and operated by CIN on behalf of and in collaboration with CIN’s Participants and Participating Practices.
- C. “Contracting and Finance Committee” shall mean the committee established pursuant to Article V, Section A, below.
- D. “Participant” shall mean a licensed medical doctor, doctor of osteopathy, and doctor of podiatric medicine. It is understood that advance practice registered nurses (“APRNs”) and physician assistants (“PAs”) shall also be deemed Participants when working under the supervision of or in collaboration with a participating medical doctor, doctor of osteopathy, or doctor of podiatric medicine in accordance with applicable Federal and state laws and regulations. Participants may also include such other providers as the CIN Board of Managers deems appropriate.
- E. “Participating Practice” shall mean an entity that enters into a written agreement with the CIN to facilitate the participation of those Participants employed or engaged by such entity in the CIN’s Clinical Integration Program.
- F. “Purchaser” means any individual, organization, firm, governmental entity or network, including, but not limited to an insurance company, self-funded employer, health care facility, employee welfare benefit plan, employer coalition, health maintenance organization, preferred provider organization, multiple employer trust, union trust, or any other party responsible for providing payment or reimbursement for healthcare services.

G. “Value Based Contract” shall mean a written agreement executed by CIN for itself or on behalf of Participating Practices and/or Participating Providers with a Payor pursuant to which CIN, as part of its Clinical Integration Program initiatives, will provide products and services to the Payor and its beneficiaries and which will involve payment or funding through alternative payment models that account for Participating Providers’ performance on measures of quality, efficiency, utilization and other metrics developed by CIN, which models may include, without limitation, shared savings bonuses, pay-for-performance incentives, conventional or alternative global payments and/or bundled payments. A Value-Based Contract is intended as an additive component to a Participating Practice’s and/or a Participating Provider’s underlying fee-for-service or “base” rates and, accordingly, Value Based Contracts shall not include any fee-for-service arrangements.

IV. POLICY STATEMENTS: The CIN Board of Managers has authorized CIN to contract with Purchasers on behalf of Participants and/or Participating Practices when such contracts provide value to patients, Purchasers, and Participants and/or Participating Practices and that recognize the efforts of Participants and/or Participating Practices in undertaking the clinical quality, cost-effectiveness, and efficiency initiatives of the CIN’s Clinical Integration Program. It is expressly understood that such Clinically Integrated Purchaser Contracts will be designed to incent the achievement of quality and cost-effective care by Participants, and to reflect the Participants’ investment of capital (human and/or monetary) made in furtherance of such objectives.

V. PROCEDURE(s):

A. CIN Contracting and Finance Committee.

1. **Composition.** The Contracting and Finance Committee shall be composed of five to nine voting Participants named by the CIN Board. Committee Members must belong to a Participating Practice. The number of committee members may change from time to time, as determined by the Board of Managers. The Contracting and Finance Committee may also include additional, non-Participant members as may be invited by the Contracting and Finance Committee from time to time, but any such non-Participant members shall serve only in an advisory capacity and shall not have the right to vote or make motions.
2. **Term of Service.** Members of the Contracting and Finance Committee shall serve for successive one (1) year appointments, or until a successor is appointed
3. **Role.** The Contracting and Finance Committee shall oversee the contracting and pricing model development activities of the CIN. The CIN shall not enter into any agreement with a health plan or other Purchaser without the prior review and recommendation by the Contracting and Finance Committee and the approval of the CIN Board of Managers. Such activities may include:

- a. establishing quality goals, criteria and metrics for inclusion in Clinically Integrated Purchaser Contracts;
 - b. developing Clinically Integrated Purchaser Contracts and contracting policies to be approved by the Board;
 - c. recommending Clinically Integrated Purchaser Contracts with Purchasers to the Board for its approval;
 - d. recommending methodologies for the distribution of funds received under Clinically Integrated Purchaser Contracts to the Board;
 - e. reviewing and recommending to the Board clinical quality and performance incentive plan awards; and
 - f. recommending credentialing criteria and methodologies for Participants to be approved by the Board.
4. **Quorum and Voting.** For purposes of this policy, the Contracting and Finance Committee shall only have the authority to recommend a Clinically Integrated Purchaser Contract to the CIN's Board of Managers at a meeting where a quorum is present (either in person or telephonically), which shall mean a simple majority of the committee members. All motions regarding whether to recommend a Clinically Integrated Purchaser Contract shall require a simple majority to pass.
5. **Confidentiality.** In the course of their work on the Contracting and Finance Committee, it is likely that the members of the Contracting and Finance Committee will obtain highly sensitive and confidential information. Accordingly, each member of the Contracting and Finance Committee shall execute a non-disclosure and confidentiality agreement prohibiting these individuals from sharing, disclosing, using, or otherwise disseminating this information in a manner inconsistent with the proper, legal purposes of CIN.
- B. **Value Based Purchaser Contracting.** By participating in the CI Program, each Participant and/Participating Practice has designated the CIN to act as its, his or her agent in negotiations and to enter into written Clinically Integrated Purchaser Contracts on behalf of Participants with Purchasers that obligate Participants to provide medical services to individuals who are beneficiaries under the health benefits plans of such Purchasers, which will involve payment or funding tied to sets of quality, efficiency, utilization and other initiatives developed by the CIN. The Contracting and Finance Committee shall proactively engage Purchasers to develop the goals of such arrangements and the financial incentives available to the CIN for the achievement of such goals.
- C. **Performance Distribution Plan.** With the assistance of the Contracting and Finance Committee, the CIN shall develop performance distribution plans for any financial incentives paid to the CIN by a Purchaser for the services of CIN Participants. The performance distribution plan, including Participant eligibility criteria for distributions, shall be based on the clinical performance standards recommended by the Contracting and Finance Committee and adopted by the CIN Board of Managers. All payments by the CIN to the Participants and/or Participating Practices under such distribution plan(s) will be made in compliance with applicable legal guidelines including antitrust, the Stark Law, the Anti-Kickback Statute, other health care laws, privacy, and tax laws.

VI. REFERENCES/CITATIONS:

- A. Federal Trade Commission and the U.S. Department of Justice, *Statements of Antitrust Enforcement Policy in Health Care*, Statement 8 available at https://www.ftc.gov/sites/default/files/attachments/competition-policy-guidance/statements_of_antitrust_enforcement_policy_in_health_care_august_1996.pdf, last visited January 17, 2017.
- B. Federal Trade Commission and the U.S. Department of Justice, *Improving Health Care: a Dose of Competition*, <https://www.ftc.gov/sites/default/files/documents/reports/improving-health-care-dose-competition-report-federal-trade-commission-and-department-justice/040723healthcarerpt.pdf> last visited January 17, 2017.
- C. Medicare Payment Advisory Commission (MedPAC), 2005 Report to Congress, Chapter 4, http://www.medpac.gov/docs/default-source/reports/Mar05_Ch04.pdf?sfvrsn=0, last visited January 17, 2017.

VII. RESPONSIBILITY: CIN management, CIN Board of Managers, CIN Contracting and Finance Committee.

VIII. APPROVAL BODY: CIN Board of Managers.

IX. APPROVAL SIGNATURE:

Chairperson

X. DATE:_____