

Advocate Physician Partners Accountable Care, Inc. Fraud and Abuse Waiver Website Disclosures

Pursuant to Section 1899(f) of the Social Security Act (42 U.S.C. § 1395j) the Secretary of the Department of Health and Human Services (“HHS”) has made available certain waivers of federal fraud and abuse laws in connection with the operation of accountable care organizations (“ACOs”) that have entered into a participation agreement, as defined under 42 C.F.R. § 425.20, under the Medicare Shared Savings Program (“MSSP”) with the Centers for Medicare & Medicaid Services (“CMS”).

Advocate Physician Partners Accountable Care, Inc. (“APP Accountable Care, Inc.”) has entered into such a participation agreement with CMS and is in good standing thereunder, pursuant to which APP Accountable Care, Inc. is participating in the MSSP.

Quality Reporting Arrangement

On December 19, 2023, the Board of Directors (“the Board”) of Advocate Physician Partners Accountable Care, Inc. (“APPAC”) approved the use of the Participation Waiver described at 80 Fed. Reg. 66726 et seq. to protect a financial arrangement (the “Quality Reporting Arrangement”).

The Board approved the Quality Reporting Arrangement to facilitate compliance with revised MSSP rules that require all MSSP-related data to be reported using standardized electronic clinical quality measures (eCQMs). In order to facilitate the uniform transition to eCQMs, the Board determined it was appropriate to establish a required set of technical and administrative requirements and a requirement to use designated software vendors for data reporting functions.

Accordingly, under the Quality Reporting Arrangement, as a condition of participating in APPAC, the Board will require all ACO Participants to implement eCQM reporting using a preferred software vendor and will provide financial support to ACO Participants to support this transition. In addition, Advocate Physician Partners (“APP”), as part of its operation of a clinically integrated network, will establish similar requirements for practices that treat Medicare beneficiaries who could be attributed to APPAC.

New Shared Saving Distribution Methodology

Shared savings will be distributed to or among APP Accountable Care’s ACO participants, its ACO providers/suppliers, individuals and entities that were its ACO participants or its ACO providers/suppliers during the year in which the shared savings were earned. This would include but is not limited to APP participating physicians, hospitals, and other providers within APP’s clinically integrated network (including Illinois Advocate Aurora Health, Inc. hospitals) who are not ACO participants, but who have a role in coordinating and managing care for ACO patients, are enrolled in Medicare, and treat beneficiaries aligned to AAP Accountable Care (“Non-ACO Participants”) (collectively, this arrangements is referred to as the “New Shared Savings Distribution Methodology”).

APP Accountable Care, Inc.’s Board of Directors has made a bona fide determination that the New Shared Savings Distribution Methodology (including, but not limited to, the eligibility of

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Non-ACO Participants for shared savings distributions) is reasonably related to the purposes of the MSSP, as required by applicable waivers, including, specifically, promoting accountability for the quality, cost, and overall care for a Medicare population; managing and coordinating care for Medicare fee-for-service beneficiaries through the APP Accountable Care, Inc.; and encouraging investments in infrastructure and redesigning care processes for high-quality and efficient service delivery for patients, including Medicare beneficiaries.

The APP Accountable Care, Inc. Board of Directors approved the New Shared Savings Distribution Methodology on February 1, 2022 and APP Accountable Care, Inc. is now in the process of effectuating the New Shared Savings Distribution Methodology.

Electronic Health Record Software Arrangement

APP Accountable Care, Inc. and its affiliates, Advocate Health and Hospital Corporation (“AHHC”) and Advocate Physician Partners (“APP”), desire to establish an arrangement (the “Arrangement”) pursuant to which APP Accountable Care, Inc. will make available electronic health record technology, third-party software, interfaces, training and services (the “Technology”) to APP for APP to provide the Technology to APP participating providers. All APP Accountable Care, Inc. Participants and ACO providers/suppliers are participants in APP’s clinically integrated network.

APP Accountable Care, Inc.’s Board of Directors has made a bona fide determination that the Arrangement is reasonably related to the purposes of the MSSP, as required by applicable waivers, including, specifically, promoting accountability for the quality, cost, and overall care for a Medicare population; managing and coordinating care for Medicare fee-for-service beneficiaries through the APP Accountable Care, Inc.; and encouraging investments in infrastructure and redesigning care processes for high-quality and efficient service delivery for patients, including Medicare beneficiaries.

The Advocate ACO Board of Directors approved the Arrangement on February 2, 2019 and reauthorized it in January 2021 and December 2021 and Advocate ACO is now in the process of effectuating the Arrangement, pursuant to the terms and conditions of a set of related written agreements between APP, Advocate ACO, and individual practices. APP is also retaining the services of practices to advise on the implementation of the EPIC software in exchange for a fair market value fee.

Outside Provider EPIC Link Arrangement

APP Accountable Care, Inc. and its affiliate, Advocate Health and Hospital Corporation (“AHHC”), desire to establish an arrangement (the “Technology Arrangement”) under which AHHC will make available certain EPIC Link functionality (the “Technology”) to certain preferred post-acute network skilled nursing facilities that have been identified as high-quality facilities (the “Outside Providers”) to promote clinical integration between the Outside Providers and ACO participants and ACO providers and suppliers.

APP Accountable Care, Inc.’s Board of Directors has made a bona fide determination that

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the Arrangement is reasonably related to the purposes of the MSSP, as required by all applicable waivers, including, specifically, promoting accountability for the quality, cost, and overall care for a Medicare population; managing and coordinating care for Medicare fee-for-service beneficiaries through the APP Accountable Care, Inc.; and encouraging investment in infrastructure and redesigning care processes for high-quality and efficient service delivery for patients, including Medicare beneficiaries.

The APP Accountable Care, Inc. Board of Directors approved the Arrangement on March 17, 2020, and APP Accountable Care, Inc. is now in the process of effectuating the Arrangement, subject to the terms and conditions of a written agreement among APP Accountable Care, Inc. or one of its affiliates and the Outside Providers.

Clinical Integration Program Arrangement

APP Accountable Care, Inc.'s Board of Directors has made a *bona fide* determination that the Clinical Integration Arrangement is reasonably related to the purposes of the MSSP, as required by all applicable waivers, including, specifically, promoting accountability for the quality, cost, and overall care for a Medicare population; managing and coordinating care for Medicare fee-for-service beneficiaries through the APP Accountable Care, Inc.; and encouraging investment in infrastructure and redesigning care processes for high-quality and efficient service delivery for patients, including Medicare beneficiaries.

The APP Accountable Care, Inc. Board of Directors approved the Clinical Integration Arrangement on March 17, 2020, and APP Accountable Care, Inc. is in the process of effectuating the Clinical Integration Arrangement.

The APP Accountable Care, Inc. Board of Directors approved changes to the Clinical Integration Arrangement on March 16, 2021, and APP Accountable Care, Inc. is in the process of effectuating such changes to the Clinical Integration Arrangement.

Because of the continuing impacts of the COVID-19 pandemic, including, but not limited to strains on practice staffing, strains on hospital resources, adverse impact on patient follow through and physicians' inability to influence same, the APP Accountable Care, Inc. Board of Directors approved the waiver of the minimum clinical integration performance thresholds for the 2021 performance year, under the Clinical Integration Arrangement ("Waiver of Minimum Performance Thresholds").

APP Accountable Care, Inc.'s Board of Directors has made a *bona fide* determination that the Waiver of Minimum Performance Thresholds is reasonably related to the purposes of the MSSP, as required by applicable waivers.

The APP Accountable Care, Inc. Board of Directors approved the Waiver of Minimum Performance Thresholds on December 21, 2021 and APP Accountable Care, Inc. is now in the process of effectuating the Waiver of Minimum Performance Thresholds.

Fit Test Support Arrangement

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Advocate ACO and its affiliate, Advocate Physician Partners (“APP”), desire to establish an arrangement (the “FIT Test Arrangement”) under which Advocate ACO will assist APP physicians to identify patients who have not received medically necessary colorectal cancer screenings within the timeframe outlined in the measure , if ordered by physicians, facilitate the shipping and handling of fecal immunochemical testing (“FIT”) to patients and from patients to labs, in order to assist patients who wish to obtain medically necessary colorectal cancer screening.

Advocate ACO’s Board of Directors has made a bona fide determination that the Arrangement is reasonably related to the purposes of the MSSP, as required by all applicable waivers, including, specifically, promoting accountability for the quality, cost, and overall care for a Medicare population; managing and coordinating care for Medicare fee-for-service beneficiaries through the Advocate ACO; and encouraging investment in infrastructure and redesigning care processes for high-quality and efficient service delivery for patients, including Medicare beneficiaries.

The Advocate ACO Board of Directors approved the Arrangement on September 15, 2020, and Advocate ACO is now in the process of effectuating the Arrangement, subject to terms and conditions to be adopted by Advocate ACO and its applicable affiliates.