State of Illinois

Solicitation for Accountable Care Entities

Letter of Intent

Dear Ms. Harris-Roberts:

Methodist Medical Center of Illinois, on behalf of the Peoria Regional Organized System of Care, submits this Letter of Intent in response to the *State of Illinois Solicitation for Accountable Care Entities* to serve children and parents or other caretakers eligible for covered services under Title XIX. The model of care and financial management structure that we propose will be based on assessment of the health services needed by Medicaid beneficiaries within our service area. Therefore, we welcome the opportunity to review the State's Medicaid claims data as our ultimate decision to submit a proposal will depend upon a thorough, thoughtful and comprehensive analysis of such data to properly assess this opportunity and serve this population properly and effectively. Methodist may elect to submit a joint proposal with Trinity Health System, an affiliate organization within the Iowa Health System. As required by the solicitation, we submit the following information:

Section-by-Section Input Analysis:

Section A: Contact Information

Name of Accountable Care Entity: Peoria Regional Organized System of Care

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Section B: Proposal Outline/Self Assessment

1. Geography and Population: The Methodist Medical Center of Illinois (d/b/a UnityPoint Health – Methodist), is proposing to serve as the lead entity for the Peoria Regional Organized System of Care. The Accountable Care Entity will serve the Medicaid population of a multi-county geographic region as defined by the zip codes listed in Exhibit I. These zip codes were selected based on the current Medicaid population being served by the Medical Center and its employed medical group (UnityPoint Clinic). At present UnityPoint Clinic serves approximately 19,845 Medicaid beneficiaries who reside within the targeted geographic area. In addition to these patients, independent obstetricians admitted 1,082 Medicaid eligible patients to Methodist in 2012. The maximum number of enrollees represents the total population served by the employed medical group and independent obstetricians (20,927). This number will likely increase overtime as UnityPoint Clinic expands and Medicaid eligibility increases under the Affordable Care Act. The minimum number we would expect to enroll is 50% of the current population served or 10,460.

Our enrollment plan will be able to reach eligible patients through direct mail, public presentations, and mass media advertising as needed. UnityPoint Clinic will also provide information to patients at their medical office. All marketing materials will be submitted to the Department for approval. Additionally, potential enrollees will be referred to Client Enrollment Services (CES) for enrollment.

2. Organization/Governance: The Methodist Medical Center of Illinois (d/b/a UnityPoint Health – Methodist) is a subsidiary of Iowa Health System (d/b/a UnityPoint Health). The parent corporation is the 4th largest non-denominational health system in the United States with $2.7 billion in annual revenue and 24,000 employees in Iowa and Illinois.

Iowa Health System established an Accountable Care Organization (Iowa Health Accountable Care, LC) in 2011. The Iowa Health ACO organizational structure is attached as Exhibit II. Under this structure, Methodist has organized a regional Organized System of Care (OSC) Leadership Council, a regional Quality and Clinical Integration Committee, and a regional Finance and Network Development Committee. Methodist intends to use this regional structure as the ACE governance structure. At present, members of the regional OSC Leadership Council include representatives from Methodist Medical Center (including the CEO, CFO, VP of Care Transformation, and Director of Behavioral Health), Heartland Home Health Care, The University of Illinois Psychiatric Residency Program, UnityPoint Clinic Primary Care physicians

and specialists, as well as independent specialists. Upon execution of an ACE agreement with the Department, we anticipate expanding membership on the council to include representatives from The Human Service Center and one or two independent obstetricians. The purpose and responsibilities of the Regional OSC Leadership Council and Committees are outlined in the Council's charter as attached in Exhibit III. The role of the Leadership Council will be expanded to include specific responsibilities relating to the development, implementation and management of a model of care for the enrolled Medicaid population should Methodist decide to submit a proposal to serve as an Accountable Care Entity.

The Methodist Medical Center of Illinois will serve as the lead entity and will be responsible for executing the ACE contract with the department. As the lead entity, Methodist will assume all legal and financial responsibility for the ACE.

The only agreements anticipated between the ACE and its independent members are confidentiality agreements and participating provider agreements. Confidentiality agreements with independent members have been executed. Participating Provider Agreements have been drafted and will be executed upon the execution of an ACE contract with the State.

3. Network: The Methodist Medical Center of Illinois is a fully integrated health care delivery system with 147 physician and mid-level providers (operating out of 35 office locations), a 329-bed acute care facility, extensive wellness and prevention services and a full array of post-acute services (home care, LTACH, inpatient rehabilitation, cardio-pulmonary rehab, hospice, palliative care). Of particular importance is a significant behavioral health program that includes adult and child inpatient units, partial hospital programs, mental health clinic and employed psychiatrists. At present, ACO providers are limited to the Methodist delivery system. As an Accountable Care Entity, Methodist would recruit additional providers to participate based on the clinical needs of the population. At a minimum, this would include the obstetricians who perform the majority of deliveries at the Medical Center.

4. Financial: Methodist expects the start-up expenses associated with operating an ACE (staff, IT, etc.) to be relatively modest because much of the infrastructure required to manage care is already in place. Methodist is a member of a fully-functioning ACO that has several value-based purchasing contracts already in place (including a MSSP agreement with CMS). The ACO has developed and deployed a comprehensive population management strategy that includes identification and risk stratification of patient populations, standard use of evidence-based medicine, standardized patient education, standardized order sets, integrated clinical disease management programs, etc. The strategy is supported by case management, navigators, advanced medical teams, a call center and other personnel. The Accountable Care Entity proposal will allow us to leverage the investments already undertaken in the care of Medicaid beneficiaries.

Methodist is an A2 rated organization with more than adequate resources to fund upfront expenses. As of August 31, 2013 cash and investments totaled $215 million.

5. *Care Model:* Methodist Medical Center through its Organized System of Care (ACO) has invested in the resources and program design to effectively manage populations across the continuum of care. Methodist currently participates in the CMS Medicare Shared Savings Program and in the CMS Bundled Payment Project. In addition, Methodist manages the health of our own employee population who are covered under a self-insured health plan.

The foundation of an effective model to manage population health is the establishment of a physician/patient relationship within a medical home environment. Within the Methodist integrated delivery system, this foundation is augmented by an infrastructure of support staff, tools and processes designed to coordinate care between providers and across the continuum. Specific components of the care delivery model include the following:

- Identification and risk stratification of patient population.
- Standard use of evidence-based medicine and best practices.
- Standardized patient education that is consistent in all care settings including office, emergency, inpatient and home health.
- Standard management of patients in the ambulatory setting to reduce emergency visits.
- Standard management in the emergency setting to reduce the need for admissions and repeat visits to the ER.
- Standardized order sets.
- Analytics to track health care utilization across the continuum.
- Development of a person centered care plan, with individualized services and supports.
- Advanced medical team/navigators to guide and aid the patient.
- Palliative care team that supports complex medical decision-making, ensures practical spiritual and psychological support ant co-manages care across setting.
- Care coordination center/First Call providing telephone case management, centralized scheduling for patients who have gaps in care, along with multiple other services.
- Home Health/Hospice
- Nurse practitioner long-term care staff
- Medication management to assist patients who benefit from enhanced medication management oversight.

The Organized System of Care Governance structure includes a Quality and Clinical Integration Committee that directly supports the care model through coordination and oversight of population health management activities. Specific committee responsibilities include:

1. Implement and deploy directives from the OSC System Quality and Clinical Integration Committee.
2. Recommend population health quality initiatives.
3. Recommend conditions of network membership.
4. Identify performance improvement opportunities and commission teams to improve regional performance.
5. Oversee performance against population health quality metrics and recommend plans for remedial action when a provider's performance lags target.
6. Actively engage key community partners to improve care coordination across the continuum.

The care model is further supported by the Regional OSC Finance and Network Committee who develops and deploys incentive fund distribution models to align provider incentives and reward population health work activities and outcomes.

*6. **Health Information Technology:*** Methodist has a fully integrated electronic health record system allowing providers access to real-time data across the care continuum. In the hospital setting, all others are placed electronically allowing standardized order sets to improve adherence to evidenced based protocols. All physicians on the medical staff have access to the hospital's EMR through McKesson's Physician Portal, with the ability to view all hospital reports and lab results for the patients they are responsible for. In the ambulatory setting, UnityPoint physicians have their clinical information documented in an electronic medical record, allowing for a shared record across different locations. All medications are prescribed from this system, and labs, procedures and consult orders are placed electronically. Physician progress notes are documented and stored electronically and lab results are stored in the system in a discrete fashion. There is also messaging capability that allows for messages to be sent between providers who are caring for the same patient. The combination of the McKesson Physician Portal and EMR provide a comprehensive health information system with data from across the continuum of care. The organization is successfully meeting Stage 1 Meaningful Use requirements in both the inpatient and ambulatory settings of care.

Methodist also has a patient portal, which allows patients to electronically communicate with their providers, requesting appointments or refills or sending a message. Lab results from our system automatically populate the patient's personal health record in this portal.

Methodist has a dedicated analytics team with skill and experience analyzing and reporting on data from these information systems. Data is captured discretely, stored, and reported using several Business Intelligence tools, including McKesson analytics tools and the Dimensional Insight Diver application. These are used to generate standard quality reports, physician and practice level scorecards, and ad-hoc reports when more detailed information is required. These reports are distributed regularly to physician practices and process improvement teams work with the practices to address gaps in care and improve standard care processes. Methodist is also a charter member of the Central Illinois Health Information Exchange. Laboratory results, radiology reports and dictated reports from Methodist are available to authorized providers on the information exchange for purposes of coordinating care.

Methodist will be changing information technology platforms in May of 2014. The UnityPoint Health system uses Epic as its integrated health information system. Methodist will transition to Epic for hospital and ambulatory sites of care. This will allow for continued electronic management of information, and support an even higher degree of integration than is currently possible. Detailed planning is underway to transfer current knowledge and experience in the use of information technology to successful use of the new platform next year.

*7. **Other Information:*** Methodist would welcome the opportunity to participate in any and all technical assistance activities that the State is offering to entities interested in submitting a proposal under the solicitation. We would be particularly interested in learning about any legal

issues the ACEs face as well as information on designing financial arrangements among participating providers.

PROPOSED GEOGRAPHY
Exhibit 1

County	Zip Code	Zip City
Marshall	61540	Lacon
Marshall	61537	Henry
Marshall	61565	Sparland
Marshall	61570	Washburn
Marshall	61375	Varna
Marshall	61369	Toluca
Marshall	61377	Wenona
Marshall	61424	Camp Grove
Marshall	61541	La Rose
Peoria	61604	Peoria
Peoria	61605	Peoria
Peoria	61603	Peoria
Peoria	61614	Peoria
Peoria	61615	Peoria
Peoria	61523	Chillicothe
Peoria	61607	Peoria
Peoria	61606	Peoria
Peoria	61616	Peoria
Peoria	61559	Princeville
Peoria	61525	Dunlap
Peoria	61536	Hanna City
Peoria	61517	Brimfield
Peoria	61529	Elmwood
Peoria	61602	Peoria
Peoria	61533	Glasford
Peoria	61547	Mapleton
Peoria	61528	Edwards
Peoria	61526	Edelstein
Peoria	61612	Peoria
Peoria	61451	Laura
Peoria	61601	Peoria
Peoria	61569	Trivoli
Peoria	61562	Rome
Peoria	61539	Kingston Mines
Peoria	61552	Mossville
Peoria	61613	Peoria
Peoria	61652	Peoria
Peoria	61636	Peoria
Peoria	61656	Peoria
Peoria	61655	Peoria
Peoria	61654	Peoria
Peoria	61650	Peoria
Peoria	61651	Peoria
Peoria	61653	Peoria
Peoria	61639	Peoria
Peoria	61635	Peoria
Stark	61491	Wyoming
Stark	61483	Toulon
Stark	61421	Bradford
Stark	61449	La Fayette
Stark	61426	Castleton
Tazewell	61554	Pekin
Tazewell	61611	East Peoria
Tazewell	61571	Washington
Tazewell	61610	Creve Coeur
Tazewell	61550	Morton
Tazewell	61755	Mackinaw
Tazewell	61734	Delavan
Tazewell	61568	Tremont
Tazewell	61564	South Pekin
Tazewell	61534	Green Valley
Tazewell	61733	Deer Creek
Tazewell	61535	Groveland
Tazewell	61747	Hopedale
Tazewell	61759	Minier
Tazewell	61555	Pekin
Tazewell	61721	Armington
Tazewell	61558	Pekin
Woodford	61548	Metamora
Woodford	61561	Roanoke
Woodford	61545	Lowpoint
Woodford	61760	Minonk
Woodford	61742	Goodfield
Woodford	61771	Secor

Total MMG Unique Medicaid Patients [2 Years] - 22,174

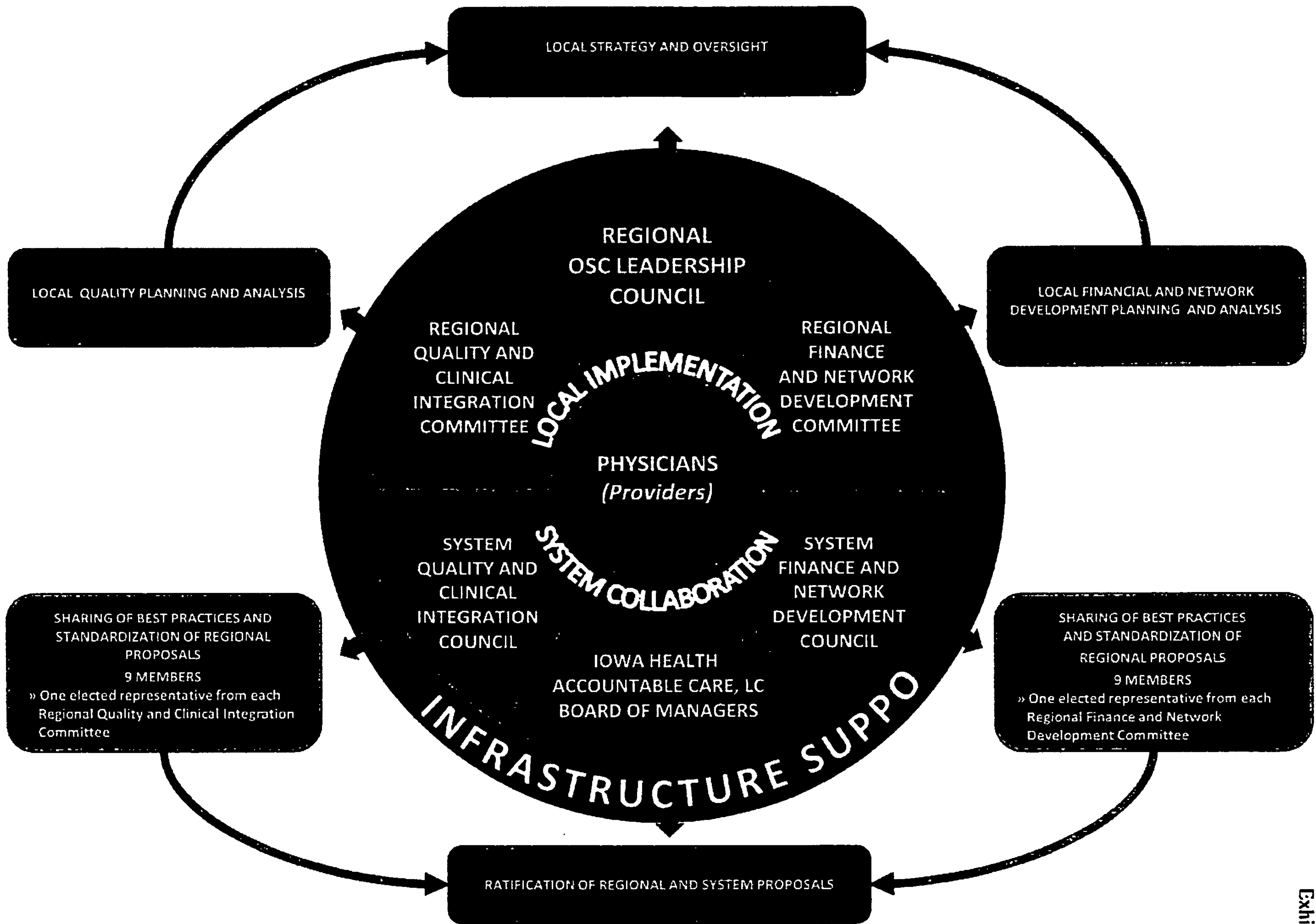

Exhibit II

POPULATION HEALTH MANAGEMENT

STANDARD OPERATING PROCEDURE

04/11/13

SECTION: GOVERNANCE
POLICY: REGIONAL ORGANIZED SYSTEM OF CARE LEADERSHIP COUNCIL

Statement of Purpose:	The Regional Organized System of Care Leadership Council (OSCLC) is committed to achieving the triple aim of better health for our communities, better health care for individual patients and better value for all. The OSCLC will provide local strategy and oversight to assure achievement of the triple aim, alignment with physicians and providers in regional OSC's, a meaningful voice for all committed providers in decision-making, a balanced representation of physicians in governance and commitment to all value-based contracts by physicians and providers.
Charter & Authority	1. Lead regional strategic planning and development of the quality agenda related to population health. 2. Review Regional Organized System of Care (ROSC) performance compared to System OSC and payor benchmarks. 3. Approve Regional OSC physician and provider network membership in Value Based Contracts. 4. Approve annual regional population health operating budget and recommend to Health System 5. Approve plans for remedial action when performance lags target. 6. Recommend Strategic Objective and Initiatives in support of MHSC Strategic Plan. 7. Oversee Service Excellence Steering Committee, Analytics Steering Committee 8. Assure knowledge transfer occurs throughout organization. 9. Annual review of Committee effectiveness.
Activities & Responsibilities Outside of the Scope of the Charter	1. Oversight of strategy, operations and metrics within contracts that are not considered Value Based or part of Iowa Health Accountable Care. 2. Oversight of strategy, operations and metrics in individual sites of care.
Selection of Members **This Needs Discussed**	Membership of the committee will be comprised of 12 voting members. Additional non-voting participants may include subject matter experts as necessary to support decision making. The Co-chairs of the committee will be a physician and an Administrator appointed by the CEO. Membership will be ratified by the Iowa Health Accountable Care Board of Managers.
Member Responsibilities	Regional OSC Leadership Council Members will: • Read and review relevant materials prior to the meetings. • Represent the needs of the regional organized system of care. • Serve as a communication link between the regional committee and their stakeholder constituents. • View decisions and vote according to what is best for the entire enterprise vision. • Take accountability and ownership for council decisions regardless of personal/affiliate position. • Sponsor major initiatives chartered by the council.
Compensation	Committee members will be compensated per Policy.

Time Commitment:	Two meetings per month, 1-2 hours in length,
Authority:	The Regional Organized System of Care Leadership Council shall, subject to the ultimate governance responsibilities of the Iowa Health Accountable Care LC Board of Managers.
Membership Voting:	Members (Voting) Co-Chairs Keith Knepp, MD; Terry Waters Physicians Joan Goleman (E); Greg Johnson, MD (E); Gary Knepp, DO (E); Ryan Finkenbine, MD (I), Samer Sader, MD (I) Senior Affiliate Administrators Tammy Duvendack, Kathy Kujawa, Debbie Simon, Rob Quin, Mike Namanny Other (Non-Voting) Cindy Hale, Tony Schierbeck, Director of Managed Care; Dean Steiner, Nursing Home Rep PHM staff members and invited guests Each voting member shall be entitled to one vote. An action will carry based on a simple majority of the voting members in attendance.
Quorum:	A quorum will be constituted by a simple majority of the voting members
Term/Limits:	The term limit for the initial committee membership will be 2 years At the end of the initial 2 years, 1/3 of the membership will be re-elected or replaced At the end of the initial 3 years, 1/3 or the original membership will be re-elected or replaced At the end of the initial 4 years, 1/3 of the original membership will be re-elected or replaced New members will serve a 3 year term No maximum term limit
Staffing:	The Regional OSC Executive along with other Population Health staff will support the committee. This entails preparation of meeting materials, research and procurement of needed information, scheduling, arrangement of meeting accommodations, meeting facilitation, etc.

Approved : ______________________________

Effective:
Revised/Reviewed: