

September 27, 2013

Illinois Department of Healthcare and Family Services
Attn: Amy Harris-Roberts
201 South Grand Avenue East
Springfield, Illinois 62763

Dear Ms. Harris-Roberts:

The participants in the Alexian Brothers Accountable Care Entity (ACE) are pleased to submit this Letter of Intent in response to the Illinois Department of Healthcare and Family Services' *Solicitation for Accountable Care Entities* (ACE Program – 2014-24-002) promulgated August 1, 2013.

The participants in the Alexian Brothers ACE look forward to establishing a collaborative relationship with the State to achieve the goals of national health care reform. Just as the State of Illinois has embraced the vision of the Triple Aims, we believe that the Accountable Care Entity that we will propose will effectively and efficiently improve the experience of care, improve the health of the population we will serve and reduce growth in health care costs.

By bringing together hospitals, clinics, behavioral care providers, and FQHCs, the Alexian Brothers ACE is uniquely positioned to better coordinate care to keep people healthier and improve the patient experience. Over time, the Alexian Brothers ACE's integrated approach will contribute not only to better outcomes for people, but will lower the overall cost of care.

The participants in the Alexian Brothers ACE currently serve, in numerous languages, medically fragile populations including large numbers of women and children. A number of participants currently collaborate in the provision of services, including primary care and obstetrical care physicians, but the clinical model for the Alexian Brothers ACE will emphasize broader and deeper collaboration to provide a full continuum of health care services, all of which will be integrated. Integrated delivery systems will provide for the behavioral health of the population, including mental illness and substance abuse service. The Alexian Brothers ACE will also integrate enabling services including transportation, interpretation and home visits to patients.

The Alexian Brothers ACE's philosophy embodies principles important in creating integrated delivery systems for vulnerable populations, including: 1) an emphasis on

primary care; 2) coordination of all care, including behavioral, social, and public health services; and 3) accountability for population health outcomes. The Alexian Brothers ACE will be an organized, coordinated, and collaborative network that links various healthcare providers to provide a coordinated, vertical continuum of services to its patient population and community. It will be accountable, both clinically and fiscally, for the clinical outcomes and health status of the population or community served, and will have systems in place to manage and improve them.

The salient features of Alexian Brothers ACE's **clinical** model are:

- Person centered, enrollee-driven integration of medical, behavioral/mental health and social care;
- Fully accessible, Federally Qualified Health Centers;
- Thorough identification of enrollee health status and needs (e.g., social, behavioral, medical, emotional, cultural, etc.) using established comprehensive Health Risk Assessments targeted to specific clinical conditions;
- Robust network of providers including primary, obstetrical care and specialty care, hospitals, behavioral health, and ancillary services;
- Multi-lingual and Multi-cultural Staff to meet the needs of the population;
- Coordination of services through case management, social worker assessment and referral, referrals by hospital discharge navigators, the use of linkage agreements and collaboration with community, State and other external organizations;
- Real time access to electronic medical records allowing delivery of necessary supports and services;
- Established relationships and partnerships with community-based organizations and social service providers

The salient features of Alexian Brothers ACE's **financial** model for the first eighteen months are based upon cost neutral care coordination fees provided by the State and the option for additional shared savings pending federal approval. For months 19-36 the funding strategy will be a pre-paid, capitated model for all covered medical services with alignment of incentives, quality targets, and shared savings with the providers of services. In the fourth and subsequent years, our ACE will be a full-risk capitated model.

As required by the Solicitation, we submit the following information:

Section A: Contact Information

Name of the Accountable Care Entity: Alexian Brothers Accountable Care Entity

Primary Contact Information:

Name: Don Franke
Title: Vice President, Physician Integration
Organization: Alexian Brothers Health System

Address: 3040 Salt Creek Lane
Arlington Heights, IL 60005
Email: don.franke@alexian.net
Phone: 847-385-7978

Primary Contact Person for Data (if different)

Name: Esther M. Macchione
Title: Director of Project Management
Organization: Family Health Network
Address: 322 South Green Street
Suite 400
Chicago, Illinois 60607
Email: emacchione@fhnchicago.com
Phone: 312-880-1642

Section B: Proposal Outline/Self-Assessment

1. Geography and Population

Describe your service area by county or zip code.

The Alexian Brothers ACE service area by zip code is:

60004, 60005, 60007, 60008, 60010, 60016, 60018, 60047, 60056, 60067, 60068, 60070, 60074, 60089, 60090, 60101, 60103, 60104, 60106, 60107, 60108, 60110, 60118, 60120, 60123, 60124, 60126, 60131, 60133, 60134, 60136, 60137, 60139, 60140, 60143, 60148, 60157, 60160, 60162, 60163, 60164, 60165, 60169, 60171, 60172, 60173, 60174, 60175, 60176, 60177, 60181, 60184, 60184, 60187, 60188, 60189, 60190, 60191, 60192, 60193, 60194, 60195, 60631, 60634, 60656, 60706, 60707.

Describe, at a high level, the anticipated number of Enrollees (i.e. minimum and maximum) and your plan for recruiting potential Enrollees.

The Alexian Brothers ACE anticipates having 40,000 Enrollees at its inception and is confident that it can expand in proportion to its capacity in the second and third years of operation.

Participating Alexian Brothers ACE providers will use a variety of means by which to recruit Enrollees. These include enrollment counselors at the FQHCs and anchor locations, community health centers, outreach at churches, community organizations and other venues, advertising, and working with specific populations. In addition, several ACE participants

already have navigators within their organizations who will inform potential Enrollees of the ACE option.

If different from your service area, specify the county(ies) or zip codes for which you are requesting data.

The Alexian Brothers ACE is requesting data for Cook County and all surrounding counties: DuPage, Kane, Kendall, Lake, McHenry, and Will.

2. Organization/Governance

List and describe the background of any primary members of the ACE and their responsibilities.

Biographies of the individuals listed below are included with this Letter of Intent as Appendix A.

Trisha Cassidy, Senior Vice President and Chief Strategy Officer, Alexian Brothers Health System

Don Franke, Vice President, Physician Integration, Alexian Brothers Health System

Beth Tze, President and CEO, Alexian Brothers Ambulatory Group, Alexian Brothers Health System

Three organizations related to physician integration for Alexian Brothers Health System are Alexian Brothers Health Providers Association, Inc., Alexian Brothers Accountable Care Organization, LLC, and Alexian Brothers Clinically Integrated Network, LLC.

Alexian Brothers Health Providers Association, Inc. (ABHPA) is a messenger model program that provides participating providers access to contracts with fee-for-service (non-risk) health plans. These may include PPOs, Point of Service (POS), and/or fee for Service (non-risk) HMO plans. Any physician in good standing with active medical staff privileges at Alexian Brothers Medical Center, St. Alexius Medical Center or Alexian Brothers Behavioral Health Hospital is eligible to join ABHPA.

Alexian Brothers Accountable Care Organization, LLC (AB ACO) is a group of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high quality care to their Medicare fee-for-service beneficiaries. The primary care physicians, specialists, and hospitals in AB ACO work together and accept collective responsibility for the cost and quality of care delivered to a population of patients. The goal of coordinated care is to ensure that Medicare fee-for-service patients, especially the

chronically ill, get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.

Alexian Brothers Clinically Integrated Network, LLC (AB CIN) serves as the clinical integration vehicle for ABHS and physicians in its community, with the goal of clinically integrating their collective activities to arrange for, facilitate and coordinate the provision of patient-centric, cost effective, quality health care services for various payors. AB CIN will evaluate and address practice patterns of its participants and create a high degree of interdependence and cooperation to control costs and ensure quality. AB CIN will consider contracts with payors where the basis of reimbursement may be pay-for-performance, shared savings, bundled payment and/or risk-based, as examples, in order to meet the covered healthcare services needs of patient populations. By tracking numerous quality and efficiency metrics across patient populations, AB CIN will be able to provide feedback to its participants about clinical performance, track compliance with payor contracting metrics, and monitor eligibility for pay-for-performance funds from payors.

Raul Garza, Chief Executive Officer, Aunt Martha's Youth Service Center, Inc. (Aunt Martha's)

Aunt Martha's is a leader in care coordination, with more than 100 programs that are integrated across areas including health and prevention; education and life skills; housing and shelter; and intervention and support. Between 2002 and 2010, Aunt Martha's healthcare services grew from two small clinics in Aurora and Chicago Heights to 16 clinics in communities throughout northern and east central Illinois – from 6,000 patients and 19,800 visits to nearly 80,000 patients and 273,000 visits. By 2010, no FQHC in Illinois provided more dental or behavioral health services to more patients than Aunt Martha's, which is the second largest FQHC provider to uninsured patients in Illinois.

Robert (Bob) Tanner, President/CEO, Greater Elgin Family Care

Greater Elgin Family Care Center (GEFCC) is a private, non-profit, Joint Commission accredited, Primary Care Medical Home-certified Federally Qualified Health Center headquartered in Elgin, Illinois. The mission of GEFCC is to provide quality, affordable health care for all, including those without the ability to pay. Incorporated in 1998, GEFCC has been a FQHC since 2002, and has been accredited by The Joint Commission since 2008.

GEFCC opened and began providing primary health care services in July, 2001. The organization immediately initiated a growth strategy with the goal of meeting the greater Elgin area's primary health care needs. In just 12 years, the organization has expanded from 1 small health center offering care to 240 unique persons annually to a regional primary health care practice offering

care in 4 counties via 29 locations (6 full-time) serving over 33,000 unique persons via over 104,000 appointment annually.

GEFCC provides dental, family medicine, obstetric/gynecological, pediatric and psychiatric care, and a host of allied and supportive services via a workforce of almost 200 professionals. The organization's outcomes make it a top-performing FQHC, with multiple clinical performance measures exceeding Healthy People 2020 goals.

Linnea Windel, President and Chief Executive Officer of VNA Health Care (VNA)

VNA Health Care is a regional, not-for-profit, community health organization serving all or parts of Kane, DuPage, Cook, Kendall, Will, and DeKalb counties. Established in 1918, VNA operates Federally Qualified Health Centers (FQHCs) to provide primary care for more than 50,000 patients. VNA is the 6th largest FQHC in Illinois and serves 1 in 11 residents of Kane County. VNA also operates home health, hospice, and community wellness programs.

VNA's primary care and related services include Family Practice, OB/GYN, and Pediatrics, Mental/Behavioral Health, Oral Health, Retail Pharmacy, Clinical Pharmacy, Registered Dietitian services, Podiatry, Laboratory, Case Management, Mobile Health, and HouseCalls services.

VNA seeks to provide a welcoming, healing environment with inviting facilities, friendly staff, and convenience supported by our same-day service model. VNA combines expert clinical care, a commitment to same-day service, and technology, such as an electronic health record system and automated reminder systems, to support care for outstanding patient outcomes. VNA is accredited by the Joint Commission and recently passed the Joint Commission Primary Care Medical Home Certification evaluation. VNA ranks in the top quartile, among peer FQHCs across the country, on 8 of 14 Health Resources and Services Administration (HRSA) quality indicators. VNA exceeds Healthy People (HP) 2020 objectives on six HRSA measures that align with HP2020 objectives.

Provide a high-level description of your expected governance structure including who will participate on the governing board and the responsibilities of the governing board.

The Alexian Brothers ACE will be an Illinois limited liability company. We expect that the Operating Agreement will define the members' relations with each other and with third parties and prescribe rules for operation and management of the entity. There will be representation from each Alexian Brothers ACE partner to include at minimum participation from primary

care, specialty care, hospitals, and Behavioral Health care. Until such time as the limited liability company is organized, Alexian Brothers Hospital Network, an Illinois not-for-profit corporation, will be designated as the lead entity for the Alexian Brothers ACE.

There will also be a designated Medical Director for the Alexian Brothers ACE that will oversee the development and implementation of the model of care.

What are the main operating agreements that will have to be developed with the primary members?

The limited Liability Company will need the statutorily-required Operating Agreement. There will also be signed Confidentiality and Non-Disclosure Agreements completed by the Alexian Brothers ACE.

To what extent has work started on developing these arrangements?

The Alexian Brothers ACE plans to retain legal counsel to incorporate the Limited Liability Corporation in Illinois.

When will the remaining work be completed?

The Operating Agreement and any other required agreements will be completed prior to the contract start date.

3. Network

Provide a high-level summary of the Providers who have agreed to participate in your network and a summary of other Providers that the ACE plans on recruiting to participate in their network.

Primary Care Physicians and hospital- specialty physicians, social workers, RNs, LPNs, nurse practitioners and dentists, behavioral health specialists and other mid-level practitioners employed by the participants will be selected for participation in the Alexian Brothers ACE. Alexian Brothers ACE will also recruit additional primary and specialty care providers, social service providers, nurses and home health personnel as necessary and appropriate for its effective operation. The main hospital and facility participants will be Alexian Brothers Medical Center, St. Alexius Medical Center, Alexian Brothers Women and Children's Hospital, Alexian Rehabilitation Hospital, and Alexian Brothers Behavioral Health Hospital (for outpatient services).

4. Financial

Please provide a description of the financial resources available to the ACE including the sources of funding for upfront expenses.

The participants in Alexian Brothers ACE will arrange for appropriate financial contributions to fund Alexian Brothers ACE's establishment and to cover other upfront expenses.

In-kind contributions from the Family Health Network and Apex Healthcare, Inc. are ongoing in the form of back-office support.

5. **Care Model**

Give an outline of your care model, including your plan for care coordination and how your governance structure and financial reimbursement structure support your care model. At this point, we are not expecting a full description of your care model, just a high-level summary of the major components of your expected Proposal.

Alexian Brothers ACE will be an integrated delivery system including participation from and coordination among primary care, specialty care, hospitals and behavioral health providers. GEFCC uses a health home model and all Alexian Brothers ACE providers have protocols for coordinating care which will likely form the basis for Alexian Brothers ACE's care coordination policies. In addition, there will be even greater co-location among and between the participants including the FQHCs, hospitals, participating physicians and behavioral health providers. Necessary and appropriate referrals will be made by the FQHCs to social and health education providers and for transportation.

The Alexian Brothers ACE will take a patient-centered, interdisciplinary approach to care coordination. Care Coordinators will perform a comprehensive health risk assessment to assess physical, functional, and psycho-social needs to the enrollee. With collaboration by the enrollee, an individualized care plan will be developed. Care intensity will also be determined to allow appropriate stratification of the enrollee.

Our financial model for the first eighteen months is initially predicated on the cost neutral care coordination fees provided by the State and the option for additional shared savings pending federal approval. For months 19-36 the funding strategy will be a pre-paid, capitated model for all covered medical services with alignment of incentives, quality targets, and shared savings with the providers of services. In the fourth and subsequent years, Alexian Brothers ACE will be a full-risk capitated model.

Alexian Brothers ACE plans to implement a Pay for Quality program that will reward providers for excellence in quality as measured by a robust set of metrics appropriate for the population served. We will also implement a shared savings program that will reward providers for focusing patient

health management and reducing preventable complications that often result in unnecessary emergency room visits, hospitalizations, and readmissions.

The governing body of the Alexian Brothers ACE will set policy, develop and implement a model of care, establish best practices, set and monitor quality goals, assess performance, address deficiencies and facilitate dispute resolution.

6. Health Information Technology

How will clinical data be exchanged? ACEs must have the capacity to securely pass clinical information among its network of Providers, and to aggregate and analyze data to coordinate care, both to make clinical decisions and to provide feedback to Providers.

Each ACE participant utilizes an electronic health record (EMR) to store clinical data. The Alexian Brothers ACE partners currently participate or commit to participate in the ILHIE. All clinical information is securely exchanged and HIPAA compliant.

The Alexian Brothers ACE will have the capability to support care management by using a clinical care management system (CCMS) to document case management processes, create individualized care plans and report on enrollee and population specific outcomes. In addition, the Alexian Brothers ACE will also have the capability to support HIPAA 834 enrollment and disenrollment transactions.

Finally, claims adjudication, concurrent review and care management will be performed by Apex Healthcare, Inc. Apex Healthcare, Inc. is a certified vendor in Illinois Department of Central Management Services' Business Enterprise Program (BEP) for Minorities, Females and Persons with Disabilities.

7. Other Information

Please provide any other information that you think will enable the Department to understand and meet your needs or the general needs of potential ACEs.

Family Health Network (FHN) will provide operational support for the development of the Alexian Brothers ACE in the areas of Information Technology, Medical Management, Compliance and Network Development and Administrative Services.

FHN is a not-for-profit Managed Care Community Network serving Chicago and Cook County and is connected to a network of safety-net hospitals and

community providers. FHN has over 15 years of experience providing access to cost effective quality health care for people who could not otherwise afford it through enrollment in FHN's health plan.

The participants of Alexian Brothers ACE are continuing work on the development of their ACE and look forward to submitting a Proposal to your Department on or before January 3, 2014.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tracy A. Rogers", written over a horizontal line.

Tracy A. Rogers
Sr. Vice President & Chief Operating Officer
Alexian Brothers Health System on behalf of
Alexian Brothers Hospital Network

Appendix A

Alexian Brothers Health System

Trisha Cassidy, Senior Vice President and Chief Strategy Officer

Trisha Cassidy is Sr. Vice President and Chief Strategy Officer for Alexian Brothers Health System (ABHS). In this role Ms. Cassidy is responsible for developing, communicating, implementing, and evaluating Health System strategy in both the acute care and senior ministries divisions. With a strong background in marketing, managed care, senior leadership, and an exceptional understanding of the Chicago market, Ms. Cassidy provides the capabilities and understanding of healthcare that are effectively positioning Alexian Brothers in the communities it serves

Prior to joining ABHS in May 2012, Ms. Cassidy had a 22-year career at Loyola University Health System (LUHS), most recently serving as Interim President of Loyola University Medical Center, President, Gottlieb Memorial Hospital and Senior Vice President, Strategy, LUHS. Prior to joining Loyola, Ms. Cassidy spent four years working for U.S. Healthcare and Lincoln National Insurance Companies and one year at Dimensional Marketing, a medically focused advertising agency in Chicago.

Ms. Cassidy serves on the board of directors at Leaders Bank. Ms. Cassidy holds an honorary appointment on the faculty of Loyola University Chicago Marcella Niehoff School of Nursing and is a co-course director at Loyola University Chicago Stritch School of Medicine. Ms. Cassidy is a cum laude graduate of the University of Illinois and received her master's degree in business administration from Loyola University Chicago.

Don Franke, Vice President, Physician Integration

Don Franke is Vice President, Physician Integration, for Alexian Brothers Health System. Mr. Franke has responsibility for Alexian Brothers Health Providers Association, Alexian Brothers Accountable Care Organization, Alexian Brothers Clinically Integrated Network, and Alexian Brothers Accountable Care Entity. Mr. Franke has 30 years of healthcare experience, and has been with ABHS since February, 2012. Prior to ABHS, Mr. Franke spent 12 years with Resurrection Health Care (now Presence Healthcare), most recently as Senior Vice President for Physician Integration. For 17 years, Mr. Franke held leadership positions with national payor firms, including U.S. Healthcare, Kaiser Permanente, CIGNA, Aetna, and Great West Healthcare.

Beth Tze, President and CEO, Alexian Brothers Ambulatory Group

Beth Tze is the President and CEO of the Alexian Brothers Ambulatory Group, which includes Alexian's employed physician enterprise, part of the Alexian Brothers Health System, a four hospital health system located in the northwest suburbs of Chicago. Beth holds a BS in Marketing degree from Northern Illinois University, and a Masters degree

in Management (MBA) from the Kellogg School of Management at Northwestern University, where she majored in health care administration, finance and operations.

Beth began her health care career in 1990 at West Suburban Medical Center in Oak Park, IL where she spent eight years overseeing their Ambulatory division, including the employed physician network, immediate care, occupational medicine, women's health, a 24/7 telephone nurse triage call center, and three residency programs. She joined the Alexian Brothers Health System in 2005, and under her leadership the employed physician network has grown from a single-specialty primary care group with fewer than 20 physicians to a multi-specialty enterprise with nearly 200 providers.

Aunt Martha's Youth Service Center
Raul Garza, Chief Executive Officer

Raul was born in Chicago, Illinois. He served 10 years in the United States Air Force as an Executive and Budget Officer. He came to Aunt Martha's in 1993, serving for nine (9) years as Chief Financial Officer before assuming the role of Chief Operations Officer in 2002. Mr. Garza assumed his current role as CEO in January of 2009.

Raul's ability as a health care leader was recognized in 2005 when he was awarded by the UCLA Anderson School of Business the most outstanding community health improvement project in the country.

Raul is responsible for translating the vision of a human service agency with the ability to provide fully-integrated health care services into an operational reality. Since early 2007, Raul is expanding on his vision of cross-integrating internal services to what today is called "coordinated care. His uncompromising vision in which every activity the organization and staff participate in is undertaken with the health and well-being of its patients and their families at its center.

Raul's experience and knowledge as a leader comes not just from 20 years in an executive role at Aunt Martha's, but in his work to earn three Masters degrees: a Masters of Science degree in Communications from Northwestern University; an MBA from the University of Chicago's Booth Graduate School of Business; and a Masters of Science degree in Public Service from DePaul University. That work has been bolstered by his completion of the *Managing Healthcare Delivery* (2010) and *Emerging Issues in Healthcare* (2013) programs at Harvard University Business School.

Greater Elgin Family Care Center
Robert (Bob) Tanner, President/CEO

Bob completed his baccalaureate studies at Loyola University – Chicago and embarked on a ten-year career in the Child Welfare industry, working in and consulting to group homes and foster care programs. Upon completing his Master of Social Work degree at

University of Illinois – Chicago as both Summa Cum Laude and University Fellow, Bob continued to direct Child Welfare operations and, beginning in 1996, expanded into the health care industry.

At Greater Elgin Family Care Center, Bob has focused on meeting the organization’s mission while maintaining excellent quality outcomes and financial stability. Bob possesses a Master of Business Administration degree from Lake Forest Graduate School of Management, is a Licensed Clinical Social Worker, is a member of the Academy of Certified Social Workers and was a member of the faculty of University of Illinois – Chicago for 7 academic years.

VNA Health Care
Linnea Windel, President and Chief Executive Officer

Linnea Windel is President and Chief Executive Officer of VNA Health Care (VNA) based in Aurora, Illinois. As the CEO of a not-for-profit community health organization providing primary health care, home health, hospice and community wellness services, she is responsible for all clinical, financial, administrative and health information technology operations serving over 50,000 patients with 380 employees. Under her leadership, the organization established the first Federally Qualified Health Center based in Aurora in 2002 and transformed itself into a regional, diversified community healthcare network serving residents of a multi-county area of suburban Chicago.

Linnea is a Registered Nurse with nearly 30 years of health care and leadership experience. Linnea earned her MS in Nursing from Aurora University and a BS in Nursing from Illinois Wesleyan University. She was one of only twenty nurse leaders selected nationally in 2008 for the prestigious three-year Robert Wood Johnson Foundation *Executive Nurse Fellows Program*, designed to prepare nurse executives to help lead and shape the U.S. healthcare system. In addition to her current role, she currently serves on several boards, including the national Visiting Nurse Associations of America board that supports, promotes and advances non-profit providers of community-based healthcare.