



Via e-mail

October 1, 2013

Illinois Dept. of Healthcare and Family Services
Attention: Amy Harris-Roberts
201 S. Grand Avenue East
Springfield, IL 62763

Dear Ms. Harris:

Cadence Medical Partners and Cadence Health are pleased to present this Letter of Intent for our participation in the State of Illinois Accountable Care Entity Initiative.

We believe that our organizations are well prepared to meet the requirements under this program and that we will be a valuable partner to the State of Illinois in serving the needs of this patient population in the communities that we serve.

Attached is our Proposal Outline/Self Assessment. Also attached is the Executed Data Use Agreement.

Thank you for your consideration of our Letter of Intent. We look forward to working with the Illinois Department of Healthcare and Family Services to serve this population.

Sincerely,

A handwritten signature in cursive script that reads "John J. Yep".

John J. Yep
Director, Business Development
Cadence Health
630-933-2000
john.yep@cadencehealth.org

Encl.

Section A: Contact Information

Name of Accountable Care Entity (ACE) (working name is acceptable)

Primary Contact Information:

Name John J. Yep
Title Director, Business Development
Organization Cadence Health
Address 27 W 353 Jewell Road, Winfield, IL 60190
Email john.yep@cadencehealth.org
Phone 630-933-2000
Other information (e.g., assistant) _____

Primary Contact Person for Data (if different):

Name _____
Title _____
Organization _____
Address _____
Email _____
Phone _____
Other information (e.g., assistant) _____



Section B: Proposal Outline/Self-Assessment

The Department is not seeking exhaustive detail on any of the following—that will be the purpose of the Proposal. However, high-level answers will:

- help the State understand who is likely to submit Proposals; and
- help interested entities understand the range of issues that must be addressed in the Proposal, thus giving them a chance to prepare for the eventual submission.

This Section B is simply a list of topic areas that we assume you will address in a separate document. Sections A and C must be completed and returned along with the document in which you answer the questions below.

1. **Geography and Population.** Define your service area by county or zip code. Describe, at a high level, the anticipated number of Enrollees (i.e. minimum and maximum) and your plan for recruiting Potential Enrollees. If different than your expected service area, specify the county(ies) or zip codes for which you are requesting data.
2. **Organization/Governance.** List and describe the background of any primary members of the ACE and their responsibilities. 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. What are the main operating agreements that will have to be developed with the primary members? To what extent has work started on developing these arrangements? When will the remaining work be completed?
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.
4. **Financial.** Please provide a description of the financial resources available to the ACE including the sources of funding for upfront expenses.
5. **Care Model.** Give an outline of your care model, including your plan for care coordination and care management 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.
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.

Cadence Medical Partners/Cadence Health
State of Illinois
Accountable Care Entity
Letter of Intent
Proposal Outline/Self Assessment

1. **Geography and Population.** Define your service area by county or zip code. Describe, at a high level, the anticipated number of Enrollees (i.e. minimum and maximum) and your plan for recruiting Potential Enrollees. If different than your expected service area, specify the county(ies) or zip codes for which you are requesting data.

Response: The service area to be covered includes the counties of DuPage, Kane and Will. The ACE contemplates enrolling a minimum of 20,000 members up to a maximum of 30,000 members. We would like to receive the statewide data.

2. **Organization/Governance.** List and describe the background of any primary members of the ACE and their responsibilities. 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. What are the main operating agreements that will have to be developed with the primary members? To what extent has work started on developing these arrangements? When will the remaining work be completed?

Response: The primary members of the Ace will be Cadence Medical Partners (CMP), a Physician Hospital Organization fully owned and operated by Cadence Health.

Cadence Health includes Central DuPage Hospital in Winfield, Illinois and Delnor Hospital in Geneva, Illinois. Cadence Physician Group is a fully owned 273 member employed multispecialty group under Cadence Health. Cadence Medical Partners also includes 280 independent primary and specialty physicians. CMP is governed by a Board of Managers comprised of 16 individuals. Currently, all managers are physicians. Six of the sixteen are nominated by Cadence Health and ten of the members are nominated by the physicians participating in CMP. CMP also has a Clinical Quality Improvement Committee with 11 physician members who set the quality metrics and protocols for CMP.

CMP will need to develop operating agreements relative to the State of Illinois ACE Program to address the financial aspects, incentive plan design, contractual relationships among the parties, information systems requirements and quality/utilization metrics.

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.

Response: In addition to the providers noted above, CMP/Cadence Health plans on working closely with local FQHCs and with various social services agencies. Cadence Health has both Inpatient and Outpatient Behavioral Health Services available through its hospitals.

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

Response: Cadence Health is prepared to fund the upfront expenses for the ACE. We are still in the process of determining the upfront requirements. Cadence Health has sufficient financial resources to commit to the development of and capitalization of the ACE with over \$1.3 billion in cash and investments.

5. **Care Model.** Give an outline of your care model, including your plan for care coordination and care management 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.

Response: We are organizing around the principles of a patient centered medical home. We plan to use disease registries and data analytics to identify and manage our patients who are at most need. We plan to use nurses as case managers and care coordinators to ensure better coordination of care for patients across the continuum.

We have a plan for managing transitions of care involving the patient centered medical home which we expect will greatly reduce the cost and improve the quality of patient care.

We have an integrated delivery system including a strong behavioral health care component which will empower us to treat patients with behavioral health issues at an appropriate cost/quality. This is key for this patient population which is often underserved, and expensive to care for.

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.

Response: Central DuPage Hospital, Delnor Hospital and Cadence Physician Group all utilize an EMR (EPIC) which provides access to clinical data across the enterprise. Some of the Independent physicians under CMP use EPIC as well.

Data analysis for the coordination of care for making clinical decisions and providing feedback to providers will be accomplished through the use of the Advisory Board's Crimson product which will be utilized in both our employed and the independent physician practices. The use of crimson by all of the providers will allow for the exchange of clinical data between the providers.

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

Response: None