

September 27, 2013

Illinois Department of Healthcare and Family Services  
Attn: Amy Harris-Roberts (Amy.Harris-Roberts@illinois.gov)  
201 South Grand Avenue East  
Springfield, Illinois 62763

Re: Letter of Intent – ACE Program – 2014 -24-002

Dear Ms. Harris-Roberts:

We 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. This Letter of Intent describes our proposed accountable care entity – Independent and Presence Health Partners Accountable Care Entity ("IPHP ACE").

The members of the IPHP ACE look forward to continuing their collaborative relationships with the State to achieve the goals of national health care reform. We believe that the IPHP ACE 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.

The physician participants in the IPHP ACE will be affiliated with one or more accountable care organizations – either Independent Physicians' ACO of Chicago LLC ("Independent Physicians' ACO") or Presence Health Partners, LLC ("PHP ACO") – each of whose governance is characterized by physician leadership and transparency at the board level. Independent Physicians' ACO works with all hospital systems and has strong medical leadership and commitment from independent physicians. PHP is the physician-led network of health care providers of Presence Health, the largest Catholic health system in Illinois with 12 hospitals, 27 long-term care and senior living facilities, dozens of physician offices and health centers, home care, hospice and robust behavioral health services. Those cases that cannot be handled by physicians in the Independent Physicians' ACO of Chicago LLC or Presence Health Partners, LLC will be referred to the University of Illinois Hospital and Health Services Center.

Participants in the IPHP ACE champion provider-sponsored care coordination, which engages physicians, patients and families in the process at a community level. They understand the specific needs of their unique local Medicaid populations and can create effective medical home settings and appropriate care models that engage patients in their care, address social determinants, reduce inappropriate or ineffective services and improve health comes and reduce utilization.

Features of the IPHP ACE's **clinical** model will include:

- Person centered, enrollee-driven integration of medical, behavioral/mental health and social care
- 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
- Primary and Preventative Care
- 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
- Robust network of providers including primary care, specialty care, hospitals, behavioral health, and ancillary services
- Established relationships and partnerships with community-based organizations and social service providers
- Integrated delivery systems that provide for the behavioral health of the population, including mental illness and substance abuse service
- Integrative enabling services including transportation, interpretation and home visits to patients

Features of the IPHP ACE's **financial** model are anticipated to be as follows:

- 0-18 months - the funding strategy will be based upon cost neutral care coordination fees to be paid by the State with the option for additional shared savings pending federal approval.
- 19-36 months – 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
- 37+ months - In the fourth and subsequent years, the IPHP 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: Independent and Presence Health Partners  
Accountable Care Entity

Primary Contact Information:

Name: John Venetos, M.D.  
Title: Chairman of the Board  
Organization: Independent Physicians' ACO of Chicago, LLC  
Address: 2740 West Foster Avenue  
Suite 116  
Chicago, Illinois 60625  
Email: samv5161@aol.com  
Phone: 773-989-6262

Primary Contact Person for Data (if different)

Name:  
Title:  
Organization:  
Email:  
Phone:

**Section B: Proposal Outline/Self-Assessment**

**1. Geography and Population**

*Describe your service area by county or zip code.*

The IPHP ACE will serve Illinois.

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

The IPHP 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.

IPHP ACE providers will use a variety of means by which to recruit Enrollees. These include outreach at physician offices and at Presence Health locations, using local media, internet and text messaging and phone calls.

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

The IPHP ACE is requesting data for the entire State of Illinois.

2. **Organization/Governance**

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

John Venetos, M.D., Chairman of the Board and Chief Medical Officer, Independent Physicians' ACO of Chicago, LLC ("IPACO")

*Independent Physicians' ACO of Chicago, LLC, is Cook County's first physician-led accountable care organization. IPACO is comprised of 130 independent physicians, 70% of whom are primary care professionals and 30% of whom are specialists. The organization will coordinate care for 14,000 Medicare patients.*

David DiLoreto, M.D., CEO, Presence Health Partners, System Senior Vice President, Chief Clinical, Quality & Innovation Officer, Presence Health ("Presence")

*Presence Health Partners, as part of Presence Health, is highly committed to physician integration. Presence Health's Clinical Integration organization, Presence Health Partners, has designed its Accountable Care/Clinical Integration infrastructure to strategically optimize the value of integration and shared savings programs. In December 2012, Presence Health was awarded a three-year contract to participate in the Medicare Shared Savings Program under the name Medicare Value Partners (MVP). There are currently over 1,000 physicians participating in Presence Health Partners. Presence Health Partners also includes Presence Health hospitals and related services. Presence Health, as a whole, supports a medical staff of over 4,000 physicians representing all major medical and surgical specialties.*

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

***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 IPHP ACE will be a manager-managed Illinois Limited Liability Corporation. We expect 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.

Among their other duties, the Managing Members, who will be participating providers, will be responsible for the finances of the IPHP

ACE; promote integration and the sharing of clinical data among and between members; monitor and assure adherence to quality standards; and establish committees, including a consumer advisory committee and a medical affairs committee chaired by the IPHP ACE's Medical Director.

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

As noted above, the Limited Liability Corporation will need the statutorily-required Operating Agreement. There may also need to be Shared Services or Affiliation Agreements.

***To what extent has work started on developing these arrangements?***

Legal counsel will be retained to prepare the documentation necessary to incorporate the Limited Liability Corporation in Illinois. Counsel would also be engaged to prepare any necessary Operating Agreement(s).

***When will the remaining work be completed?***

We anticipate that the Operating Agreement and any other required agreements will be completed prior to the contract start date. In addition, the IPHP ACE will formally apply to become a Managed Care Community Network ("MCCN").

**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.**

Physician members of the Independent Physicians' ACO and Presence Health Partners' which includes Presence Hospitals and related services, PCPs, and hospital-employed physicians, will participate in the IPHP ACE. Presence Health Partner's behavioral health specialists will participate in the network. The IPHP ACE will recruit additional primary and specialty care providers, social service providers, nurses and home health personal as necessary to its effective operation. Those cases that cannot be handled by physicians in the Independent Physicians' ACO of Chicago LLC or Presence Health Partners, LLC will be referred to the University of Illinois Hospital and Health Services Center.

**4. Financial**

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

All participants in the IPHP ACE have agreed to make financial contributions to fund establishment of the IPHP ACE 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. See sections 6 and 7 below for more information on Family Health Network and Apex Healthcare, Inc.

## 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.***

The IPHP ACE will be an integrated delivery system including participation from and coordination among primary care, specialty care, hospitals and behavioral health providers. Participants in the IPHP ACE all have protocols for coordinating care, which will likely form the basis for IPHP ACE's care coordination policies. Necessary and appropriate referrals will be made by the physicians and hospitals to social and health education providers and for transportation.

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 to be paid by the State and the option for additional shared savings pending federal approval. Months 19-36 the funding strategy is 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, IPHP ACE will be a full-risk capitated model.

The IPHP ACE will 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.

IPHP ACE's governing body 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.***

Presence Health Partners is in the process of installing a private health information exchange, community portal, integrated care management system and clinical data repository from Harris Corp, current registry tools from ICLOPS and future registry tools with Medventive, clinical analytics from Optum/Humedica, and digital patient engagement tools from Emmi Solutions over the next three years to support the clinical exchange of data. PHP will utilize these tools as appropriate to analyze data to coordinate care.

IPHP ACE will use a clinical care management system ("CCMS") to document case management processes, create individualized care plans and report on enrollee and population specific outcomes.

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.***

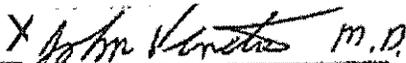
Family Health Network ("FHN") will provide operational support for the development of the IPHP ACE in the areas of Information Technology, Medical Management, Compliance and Network Development and Administrative Services.

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.

We are continuing work on the development of the IPHP ACE and look forward to submitting a Proposal to your Department on or before January 3, 2014.

Sincerely yours,

X  M.D. \_\_\_\_\_

Independent Physicians ACO Chicago, LLC  
John Venetos, MD (President)

X  \_\_\_\_\_

Presence Health Partners  
David DiLoreto, M.D., Chief Executive Officer

## Appendix A

### **Independent Physicians' ACO of Chicago**

#### **John Venetos, M.D., Chairman of the Board and Chief Medical Officer**

James Venetos, M.D., is the Chairman of the Board and Chief Medical Officer of the Independent Physicians ACO of Chicago. He is a Board certified in Internal Medicine and Gastroenterology and is a Diplomate of the National Board of Medical Examiners. Dr. Venetos is a Phi Beta Kappa graduate of the University of Chicago and obtained his Doctor of Medicine with honors from the University of Illinois School of Medicine in Chicago. Dr. Venetos is an Assistant Clinical Professor of medicine at the University of Illinois Health Hospital and Health Services Center in Chicago and has extensive research experience.

### **Presence Health Partners**

#### **David DiLoreto, M.D., Chief Executive Officer, Presence Health Partners; System Senior Vice President, Chief Clinical, Quality & Innovation Officer, Presence Health ("Presence")**

David DiLoreto, M.D. is the Chief Executive Officer of Presence Health Partners, Presence Health's clinical integration organization. Dr. DiLoreto oversees the health system's provider performance and alignment strategies including clinical integration and graduate medical education. Dr. DiLoreto joined Legacy Resurrection Health Care in 2009 as its first Chief Medical Officer. In this role, he provided direction to system-wide improvements in patient safety, risk management, quality and accreditation services. Dr. DiLoreto is a board-certified ophthalmologist and fellowship-trained oculoplastic surgeon. Prior to joining legacy Resurrection Health Care, he served as Senior Vice President and Chief Medical Officer at Baptist Health Care in Pensacola, Florida. He received a Doctor of Medicine from the University of Florida in Gainesville, FL and a master's in business administration from Emory University in Atlanta, GA.