



Winner Of The Lincoln Award For Excellence

September 30, 2013

Ms. Amy Harris-Roberts
Illinois Department of Healthcare and Family Services
201 South Grand Avenue East
Springfield, IL 62763

Dear Ms. Harris-Roberts:

The Rockford Health Alliance, LLC is pleased to submit this Letter of Intent to respond to the State of Illinois Solicitation for Accountable Care Entities (ACE Program – 2014-24-002). We welcome the opportunity to design and implement a provider driven response to Public Act 98-104 requiring DHFS to move at least 50 percent of its beneficiaries into risk-based care coordination by January 1, 2015. Our providers look forward to collaborating with each other and DHFS to improve health outcomes, member experience of care, and reducing the upward trend in healthcare costs. We are hopeful this experience will lead to our providers taking an integrated delivery system approach to additional populations in the future.

The Rockford Health Alliance initially involves the following organizations:

- SwedishAmerican Health System, including its employed and hospital medical staff, as well as its hospitals;
- Crusader Community Health, the only Federally Qualified Health Center and largest Medicaid primary care provider in the targeted service area;
- Rosecrance, a private not-for-profit organization offering behavioral health services for children, adolescents, adults, and families with more than 20 locations in the Chicago and Rockford areas; and
- University of Illinois College of Medicine at Rockford, Faculty.

The “care” or “delivery” model we would build under our proposal will be based on a health needs assessment for this population. Therefore, we welcome the opportunity to review the State’s Medicaid data since 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. As required by the Solicitation, we submit the following information:

1401 East State Street, Rockford, Illinois 61104-2315 Phone (815) 968-4400 www.swedishamerican.org
A Teaching Hospital Affiliated With The University Of Illinois College Of Medicine At Rockford

“Through excellence in healthcare and compassionate service, we care for our community.”

Section A: Contact Information

Name of the ACE: Rockford Health Alliance

Primary Contact Information:

Name: William Gorski, MD
Title: President and CEO
Organization: SwedishAmerican Health System
Address: 1313 East State Street, Rockford, IL 61104
Email: wgorski@swedishamerican.org
Phone: (815) 968-4400
Other information: Assistant, Mary Bosie, 815-489-4003

Primary Contact Person for Data:

Name: Kathleen Kelly, M.D.
Title: Chief Clinical Integration Officer
Organization: SwedishAmerican Health System
Address: 1313 East State Street, Rockford, IL 61104
Email: kkelly@swedishamerican.org
Phone: 779-696-9110
Other information: Assistant, Barbara Dirksen, 779-696-4727

Section B: Proposal Outline/Self-Assessment

1. *Geography and Population*

The Rockford Health Alliance plans to serve the Family Health Plan and new Medicaid eligible individuals residing in primarily Boone, Ogle, and Winnebago counties. Per the DHFS web site, there were 57,329 Illinois Health Direct beneficiaries assigned to providers working in the Rockford area as of September 2011, of which 52,299 were assigned to one of 102 providers working in Rockford. Crusader Community Health operated two sites in Rockford in 2011 but has since added a site in Loves Park. Crusader already had 26,505 of the Medicaid beneficiaries as of September 2011, representing 51 percent of Medicaid population served by primary care physicians located in Rockford area.

Approximately 90 percent of Illinois Health Connect Medicaid beneficiaries are in the Family Health Plan (with the remaining non-dual Seniors and Persons with Disabilities and therefore not eligible for ACEs), translating to approximately 28,350 (90 percent of 31,500) ACE eligible members just with Crusader alone. There are additional Family Health Plan members assigned to other Rockford Health Alliance primary care providers, as well. We expect the Medicaid population in our target community to continue to grow in 2014 as many of our currently medically uninsured adult patients gain access to Medicaid coverage. Since Crusader provides 40 percent of the care to that uninsured population (approximately 15,000 individuals), we expect our Medicaid population to grow even faster than the rate for the rest of our county. Unlike the Cook County and Metro East regions, the Family

Health Plan population is not currently assigned to any Medicaid managed care plans. Since the Rockford Health Alliance providers view the ACE as their preferred managed care vehicle, it is projecting a minimal membership of 40,000 that will be a mixture of Family Health Plan and new Medicaid eligible members. We plan to market the Rockford Health Alliance through mailings, promotional literature placed at our service sites, and presentations at community events under guidance provided by the marketing staff of our collaborating agencies.

2. Organization/Governance

As a collaborative, we currently serve all categories of the Medicaid population of our region and provide the full spectrum of care including primary, specialty, hospital based, and behavioral health care. Leadership from Crusader Community Health (CCH), SwedishAmerican Health System (SAHS), Rosecrance, and the University of Illinois College of Medicine at Rockford Faculty (UICOM) have been working together to serve the vulnerable population of our community for many years. Although there are three hospital systems serving the targeted region, CCH has worked primarily with staff providers at SAHS. Rather than develop its own behavioral health services, CCH has been collaborating with Rosecrance, who place their clinical staff on-site at each of the Crusader primary care centers. The University of Illinois College of Medicine at Rockford operates its Rockford area Family Medicine residency programs predominantly at SAHS.

The Rockford area has been largely devoid of managed care activity, which has precluded the necessity to form an integrated delivery system with common governance. This is rapidly changing as Medicaid Reform (Illinois PA96-1501) requires that 50 percent of Medicaid clients be enrolled in care coordination programs by 2015. In response, the following organizations will be creating a limited liability corporation (LLC). The primary members of the ACE will include:

- **Crusader Community Health**

Founded in 1972, Crusader Community Health is the only community health center in Northwest Illinois with locations in Rockford (both West State and Broadway), Belvidere, and Loves Park. Its 285 employees include 67 healthcare providers – MD, DO, DDS, PA, NP, CNM. Primary care services include Pediatrics, Women’s Health Service with OB (and a midwife program), Family Practice, Internal Medicine, and Dentistry. Specialty services include Endocrinology (diabetics), HIV, Homeless, Neurology, Optical, Pain Management, and Podiatry. It offers a not-for-profit pharmacy system for their patients. Crusader cared for 47,719 patients in 2012, with 205,668 visits.

- 40 percent of area uninsured come to Crusader.

- Payer mix is:

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- 59 percent Medicaid; and
 - 29 percent uninsured:
 - 6 percent Medicare.
 - 6 percent private insurance.
 - 42 percent children 19 and under (21,057 children).
 - 37 percent Caucasian, 30 percent African American, 26 percent Hispanic.
 - 1,193 babies delivered by Crusader, representing 25 percent of all Winnebago County births
- **SwedishAmerican Health System**

SwedishAmerican is a not-for-profit, locally governed healthcare system dedicated to providing excellence in healthcare and compassionate care to their community. Headquartered in Rockford, Illinois, SwedishAmerican Health System serves 12 counties in northern Illinois and southern Wisconsin through:

 - A dedicated and caring staff;
 - A major acute care hospital with 364 active staff, 90 courtesy staff and 110 allied health staff members, encompassing approximately 40 different specialties;
 - A medical center in Belvidere;
 - Regional Cancer Center;
 - A network of 30 primary care and multi-specialty clinics;
 - The region's largest home healthcare agency; and
 - A full spectrum of outpatient, wellness and education programs.

A subsidiary of SwedishAmerican Health System, SwedishAmerican Hospital is a 333-bed, full-service, non-profit hospital serving the greater Rockford region, northern Illinois, and southern Wisconsin. SwedishAmerican has an exclusive affiliation with UW Health and is a teaching hospital that hosts the University Of Illinois College Of Medicine's residency program.
 - **Rosecrance**

Headquartered in Rockford, Rosecrance is a private not-for-profit organization offering behavioral health services for children, adolescents, adults, and families throughout the country. With more than 20 locations in the Chicago and Rockford areas, Rosecrance offers comprehensive addiction services for adolescents and adults, including prevention, intervention, detoxification, inpatient and outpatient treatment, experiential therapies, dual-diagnosis care, and family education. Rosecrance also

offers high-quality, efficient, and effective outpatient mental health services for children, adults and families through a variety of programs. Rosecrance serves more than 14,000 families each year.

- **University of Illinois College of Medicine at Rockford**

The University of Illinois College of Medicine at Rockford is one of four campuses of the University of Illinois College of Medicine. The Rockford campus is known for its rural medicine program, focus on health disparities, emphasis on fostering independent learning, and community-based education.

The first class of medical students was admitted in Rockford in 1972. Their hands-on community mentors, coupled with a core group of full-time faculty members, are available to guide students in their education.

The College of Medicine at Rockford operates primary care clinics in Rockford, Rockton, and Belvidere, Illinois, providing university level care for the whole family. They also operate a Women's and Children's Health Center and University Psychiatric Services, both in Rockford.

The Rockford Health Alliance will be a separate legal entity owned and controlled by providers. Governance will be structured to protect the not-for-profit status of its owners. The primary members will each have at least one representative on the LLC, and so there will, at a minimum, be at least one primary care physician, one specialist physician, one behavioral health representative, and one hospital representative. The providers' counsels will work collaboratively to finalize the operating agreements which will define member relationships with each other and other third parties, the authority of the governing members, and the rules for management of the LLC. The governing board will be responsible for key decision-making, strategic planning, and operational oversight. A committee structure will be created that is composed of both governing members and subject matter experts. The Rockford Health Alliance will employ an Executive Director, Medical Director, and Chief Financial Officer who will serve as ex-officio, non-voting members of the governing bodies.

The following operating agreements will be completed with the following timeline:

1. Articles of Organization will be filed with the Illinois Secretary of State by December 31, 2013;
2. Completion of corporate governing documents by March 1, 2014;
3. Provider Agreements finalized by March 1, 2014;
4. Board approval of the Conflict of Interest Policy by March 1, 2014; and
5. Board approval of the Compliance Plan by April 1, 2014.

3. Network

In addition to the ACE primary members described above, primary care and specialty physicians on staff at SwedishAmerican will be approached about participation in the ACE. This includes physicians employed by SwedishAmerican Health System.

4. Financial

All primary members of the Rockford Health Alliance have agreed to make financial contributions to fund the establishment and start-up costs.

5. Care Model

The Rockford Medicaid Collaborative is fortunate to consist of providers who appreciate the importance of taking a coordinated care population based approach to patient management. The model of care is based upon the following principles:

- The delivery system model, and the financial strategies designed to incentivize it, will be developed and managed by a provider-led organization to assure commitment and accountability in establishing, implementing, monitoring and rewarding the network.
- A comprehensive health delivery system, made up of varying contribution of the providers within the county, will be accountable for the care for the targeted Medicaid population.
- Services will be designed to assure that the most appropriate care is delivered by the most appropriate provider at the most appropriate time.
- The Patient Centered Primary Care Home will be the core organizational unit of the network and will serve as the initial and continuous source of most health service delivery and coordination for those patients who require ongoing care. They will focus on use of well-developed registries, management of transitions of care and population-based identification and care of high-risk, high-use, and high vulnerability patients. Collaborative partners are already well on their way in establishing these homes and will share their experiences. Behavioral health services will be embedded within the patient centered medical home.
- Reimbursement will be redesigned so that cost savings and improved quality of care are incentivized and realized. Prospective payments for care coordination and very simple measures of performance, when added on top of the current payments for primary care, will improve outcomes and lower costs. There should be across-the-board payments for care coordination combined with care management payments for high-risk, high-cost, high-vulnerability patients. We viewed shared savings as a bridge to achieving the competency needed to transition to capitated payment.
- The network will determine, appropriately utilize, and expand or contract certain segments of provider capacity in the network in order to effectively respond to the health care needs of the target population.

- The network will be supported by information technology facilitating the coordination of all levels of care, assuring that services delivered are appropriate, and providing timely and usable data to both the system and individual providers.
- The planning for, delivery, and reimbursement of primary care, specialty care, behavioral health, and hospital-based services will be integrated in the network. There should be minimized crossover and better coordination between PCPs and specialists with consultation and referral guidelines including eventual use of electronic virtual consultations.
- Care management will ensure smooth transitions in care between physicians and hospitals, between levels of care and health providers and community services. These services will be designed by the network but will, for the most part, be provided at the point of care in provider settings.
- The network will take accountability for the entire target population, not just those who actually receive care in individual provider settings, and will forge a partnership between the medical and the public health systems.
- Success will be dependent upon prioritizing outcomes and processes of care that are evidence-based, with metrics assessing the patient experience, health outcomes, and the organizational and financial efficiency of the network.

6. *Health Information Technology*

All of the healthcare providers within the Rockford Health Alliance have implemented electronic medical records (EMR) and achieved meaningful use status. The providers are all committed and participating with the local health information exchange (HIE). We have realistic expectations that these HIEs will facilitate the necessary exchange of medical information required to manage this population by July 2014. The ACE partners have already made significant investments in implementing EMR and developing patient centered medical homes. They realize that they will need to make additional investments in these and other areas of infrastructure.

7. *Other Information*

Although there is historic data which allows for proper financial forecasting of the Family Health Plan Medicaid population, such data does not exist for the newly eligible Medicaid population. DHFS is unable to provide a valid shared savings methodology for this population as a result. In light of this uncertainty, the Rockford Health Alliance would like to discuss the fairness of putting the care coordination fee for this population at risk should they decide to move to capitated payments for only the Family Health Plan population at month 19 of operations.

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Thank you for your request and consideration of this ACE Program – 2014-24-002 Letter of Intent.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Gorski', written in a cursive style.

William Gorski, M.D.
Chief Executive Officer