

## Covenant ACO Policy Index

General (Section 100)	
Definitions Policy	100.01 – ACO
Membership (Section 200)	
New Participants Policy	200.01 – ACO
Participation Termination Policy	210.01 – ACO
Code of Conduct Policy	220.01 – ACO
Clinical Integration Committees, Data and Reports (Section 300)	
Confidentiality Policy	300.01 – ACO
Clinical Integration Performance Information Policy	310.01 – ACO
Credentialing Policy	320.03 – ACO
Quality Assurance and Performance Improvement Policy	330.02 – ACO
Peer Review Policy	340.02 – ACO
Utilization Review Policy	350.01 – ACO
Post Acute Care (PAC) Standards Policy	400.02- ACO
Distribution (Section 500)	
Single Incentive Fund and Distribution Policy	500.02– ACO
Marketing (Section 600)	
Marketing Materials and Activities Policy	600.01 – ACO
Data (Section 700)	
Data Submission and Certifications Policy	700.01 – ACO
Beneficiaries (Section 800)	
Non-Avoidance of At-Risk Beneficiaries Policy	800.01 – ACO
Notification to Covered Personal and Receipt of Claims Data Policy	810.01 – ACO

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 100.01 - ACO</b>	
<b>TITLE:</b> <b>DEFINITIONS POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 3
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

This Policy sets forth the definitions applicable to policies and procedures of Covenant ACO, Inc. ("Covenant ACO").

## **SCOPE**

This Policy is applicable to all Covenant ACO policies and procedures. This Policy is intended to provide definitions generally applicable to Covenant ACO policies and procedures. In the event of a conflict between this Policy and any other Covenant ACO policy, the policy applicable to the conduct at issue, and not this Policy, will govern.

## **DEFINITIONS**

Advanced Practice Provider. Provider/Suppliers who are nurse practitioners, physician assistants and other licensed health care professionals who are authorized to provide Covered Services under the Medicare program, but not Physicians.

Board. The Board of Directors of Covenant ACO.

CHS. Covenant Health System, a tax-exempt, Texas nonprofit corporation that owns, operates, and manages healthcare facilities including but not limited to a general acute care hospital, Covenant Medical Center, additional acute care hospitals, a pediatric hospital, a long-term acute care hospital, inpatient rehab hospital, physician groups (including Covenant Medical Group), diagnostic imaging center and ambulatory surgery centers and other entities on a direct or indirect basis.

Covered Persons. Any Medicare fee-for-service beneficiary who is assigned to Covenant ACO in accordance with the MSSP attribution methodology.

Covered Services. Those medically necessary health care services and supplies that Covenant ACO is assigned to provide or arrange to provide to Covered Persons.

CMS. The Centers for Medicare and Medicaid Services.

Clinical Integration Agreements. The contract between Covenant ACO and CMS for participation in the Medicare Shared Savings Program pursuant to which Covenant ACO, Participants, and Provider/Suppliers agree to work together to manage and coordinate the care of designated Covered Persons who are assigned to Covenant ACO or under the other activities specified in the applicable Clinical Integration Agreement. Under the terms of the Clinical Integration Agreement, Covenant ACO, its Participants and Provider/Suppliers, will be eligible to participate in pay-for-performance, shared savings, at-risk and similar arrangements that may result in incentive awards in addition to fee-for-service reimbursement.

Clinical Integration Program. The active and ongoing program of health care quality and efficiency initiatives developed and implemented by Covenant ACO to evaluate and modify practice patterns by Covenant ACO's contracted Participants, Providers/Suppliers, and other health care entities, and to create a high degree of interdependence and cooperation among such Participants and Other Entities to control health care costs and ensure quality, and which may include: (i) establishing mechanisms to

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 100.01 - ACO</b>	
<b>TITLE:</b> <b>DEFINITIONS POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 3
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

monitor and control utilization of health care services that are designed to control costs and assure quality of care; (ii) selectively choosing participants who are likely to further these efficiency objectives; (iii) investing capital, both monetary and human, in the necessary infrastructure and capabilities to realize efficiencies and quality goals; and (iv) participating in the MSSP as an ACO.

Distribution Policy. The Single Incentive Fund and Distribution Policy.

MSSP. The Medicare Shared Savings Program.

MSSP Agreement. The contract between Covenant ACO and CMS pursuant to which Covenant ACO, through its Participants, Provider/Suppliers, and other entities agree to work together to manage and coordinate care and become accountable for the quality, cost, and overall care of Covered Persons in accordance with the MSSP.

Network Participation Agreement. An agreement governing the relationship between Covenant ACO and individual Participants with respect to Covenant ACO's Clinical Integration Program and MSSP Agreement.

Network Participation Criteria. The criteria and requirements Participants and their affiliated Provider/Suppliers must satisfy in order to qualify for initial and ongoing participation in Covenant ACO, as determined and as modified from time to time by the Board.

Other Entity. An healthcare entity other than a Participant that provides certain functions and/or services to Covenant ACO in relation to Covenant ACO's participation in the MSSP pursuant to a separate agreement with Covenant ACO, but which does not participate in Covenant ACO as an "ACO participant" as that term is defined at 42 C.F.R. § 425.20 for purposes of the MSSP.

Participants. The health care providers or entities, which can include Provider/Suppliers and Other Entities, that comprise the accountable care organization of Covenant ACO who have entered into a Network Participation Agreement with Covenant ACO.

Payor. Any entity including, but not limited to, any employer, union group, association, managed care plan, insurer, health maintenance organization, preferred provider organization, federal, state, or other government payor, or any other third-payor (or any third-party administrator contracting on behalf of any such entity) with which Covenant has contracted to arrange to provide Covered Services to Covered Persons, including CMS. Covenant ACO's primary, if not exclusive, Payor will be CMS.

Performance Standards. Criteria or metrics for measuring clinical quality, patient satisfaction, resource utilization, and cost effectiveness with regard to the delivery of Covered Services as set forth in an applicable Clinical Integration Agreement and applicable Policies and Procedures.

PHI. "Protected Health Information" as defined at 45 C.F.R. § 160.103.

"Policies and Procedures". Any Covenant ACO standards, policies, procedures, programs, rules, and regulations (as amended from time to time) adopted by Covenant ACO that apply to Participants or Providers/Suppliers.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 100.01 - ACO</b>	
<b>TITLE:</b> <b>DEFINITIONS POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 3 of 3
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

Physician. A qualified physician, including but not limited to, a doctor of medicine, doctor of osteopathy, or oral surgeon, who is a Provider/Supplier, and who furnishes professional health care services that are billed through a Participant's tax identification number.

Provider/Supplier. Each licensed person or entity who is engaged or employed by Participant and provides Covered Services furnished to Covered Persons through the use of a billing number assigned to Participant's Tax Identification Number. The term "Provider/Supplier" will be consistent with the definition of "ACO provider/supplier" as defined in 42 C.F.R. § 425.20.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 200.01 - ACO</b>	
<b>TITLE:</b> <b>NEW PARTICIPANT POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017	<b>PAGE:</b> Page 1 of 2
	<b>REVIEW // REVISION DATE(S):</b>	
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

The purpose of this policy is to establish guidelines and procedures regarding applicants to become new Participants in Covenant ACO, Inc. ("Covenant ACO").

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and Committee Members; All Participants and their Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates; any other third party that performs credentialing services at the request of Covenant ACO.

## **POLICY**

Pursuant to the Covenant ACO Bylaws, the Covenant ACO Board has adopted this policy to set forth standards for new Participants. As required by the MSSP, Covenant ACO "Participants" must consist of legal entities identified by a Tax Identification Number (TIN) or Participant Social Security Number (SSN) that meet Covenant ACO's qualification and execute a Network Participation Agreement with Covenant ACO. Each Participant is required to ensure that all physicians and other Provider/Suppliers who furnish services billed through the Participant TIN must agree to comply with the Network Participation Agreement and continuously meet the qualifications and requirements assigned to Provider/Suppliers in Covenant ACO.

## **DEFINITIONS**

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

There is no right to participation in Covenant ACO. Any legal entity applicant to become a Participant in Covenant ACO will be required to meet the following criteria:

- 1.0** Meet the network needs of Covenant ACO.
- 2.0** Execute and enter into a current Network Participation Agreement with Covenant ACO, and ensure that each Provider/Supplier employed or engaged by Participant executes a Provider/Supplier Addendum.
- 3.0** Ensure that all Provider/Suppliers employed or engaged by the Participant satisfy all Network Participation Criteria, obligations set forth in the Credentialing Policy and the Network Participation Agreement.
- 4.0** Pay any dues required of Participants in Covenant ACO.

In addition, each Provider/Supplier employed or engaged by the Participant is required to be in compliance with the Covenant ACO Code of Conduct and Conflict of Interest Policy.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 200.01 - ACO</b>	
<b>TITLE:</b> <b>NEW PARTICIPANT POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 2
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

Covenant ACO, through action of its Board or administration, may decline to consider a Participant that fails to meet any of the requirements set forth above.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 210.01-ACO</b>	
<b>TITLE:</b> <b>PARTICIPANT TERMINATION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 1
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

The purpose of this policy is to establish guidelines and procedures regarding termination of a Participant in Covenant ACO, Inc. ("Covenant ACO").

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **POLICY**

Pursuant to the Covenant ACO Bylaws, the Covenant ACO Board has adopted this policy to set forth standards for termination of Participation in Covenant ACO.

As required by the MSSP, Covenant ACO "Participants" must consist of legal entities identified by a Tax Identification Number (TIN) or Social Security Numbers (SSN) that meet Covenant ACO's qualification and execute and remain a party to a Network Participation Agreement with Covenant ACO. Under the Network Participation Agreement, each Participant is required to ensure that all physicians and other Provider/Suppliers who furnish services billed through the Participant TIN agree to comply with the Network Participation Agreement and continuously meet the qualifications and requirements assigned to Provider/Suppliers in Covenant ACO. If a Provider/Supplier employed or engaged by a Participant violates any of the requirements applicable to Provider/suppliers described below, the Participant may be terminated by Covenant ACO unless the Participant terminates the employment or engagement of the Provider/Supplier as a result of such violation.

## **DEFINITIONS**

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

A Participant may be terminated by the Board as provided in the Network Participation Agreement.

Covenant ACO will notify any Participant of termination of its participation in Covenant ACO. The Participant is not entitled to appeal rights under this Policy.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 220.01-ACO</b>	
<b>TITLE:</b> <b>CODE OF CONDUCT POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 3
<b>APPROVED BY:</b> Covenant ACO, Inc. Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

All Participants and Providers/Suppliers of Covenant ACO, Inc. ("Covenant ACO") are expected to display the highest level of professional behavior, decorum, compassion and ethics. In accordance with this expectation, this Code of Conduct is designed to clarify common expectations and facilitate unity among Participants. The guidelines set forth in this Code of Conduct govern interactions with Covered Persons, their families, other Participants or Provider/Suppliers, government agencies and their representatives and the public at large.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **DEFINITIONS**

Capitalized terms used but not otherwise defined have the meaning set forth in the Definitions Policy.

## **PROCEDURES**

- 1.0** All Participants and Providers/Suppliers will abide by the principles of medical ethics (primacy of patient welfare, patient autonomy, and respect for human dignity and rights), and the policies and procedures of Covenant ACO.
- 2.0** All Participants and Providers/Suppliers will interact and communicate with Covered Persons, all other Participants and their employees and agents in a courteous, respectful and dignified manner.
- 3.0** All Participants and Providers/Suppliers have the primary responsibility for effective communication.
- 4.0** All Participants and Providers/Suppliers must:
  - 4.1 Seek out assistance in conflict resolution when managing disagreements with others.
  - 4.2 Address dissatisfaction with policies, administrative or supervisory actions through the proper leadership channels at Covenant ACO.
  - 4.3 Communicate quality and patient safety concerns to Covenant ACO leadership as appropriate.
  - 4.4 Regard Covered Persons and their families with respect and consideration.
- 5.0** Participants and Providers/Suppliers will not engage in disruptive behaviors, including but not limited to the following:



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 220.01-ACO</b>	
<b>TITLE:</b> <b>CODE OF CONDUCT POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 3
<b>APPROVED BY:</b> Covenant ACO, Inc. Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- 5.1 Sexual harassment and sexual innuendos;
- 5.2 Use of abusive language, including the use of foul language, screaming or name calling;
- 5.3 Making direct or indirect threats of violence, retribution, litigation or financial harm;
- 5.4 Making racial or ethnic slurs;
- 5.5 Intimidation;
- 5.6 Criticizing or embarrassing Covenant ACO staff in the presence of others;
- 5.7 Slander;
- 5.8 Inappropriate physical expressions of anger;
- 5.9 Treating Covered Persons, coworkers or others in a discriminatory way, including but not limited to discrimination based on race, color, national origin, ancestry, religion, gender, marital status, sexual orientation, or age;
- 5.10 Providing patient care while impaired by alcohol, drugs or illness; and
- 5.11 Dishonesty.

**6.0** Optimal health care depends on the harmonious interaction, communication and combined efforts of a multidisciplinary team that includes but is not limited to: physicians, dentists, affiliated health care providers, students, residents, social workers, patients, families and others. As Participants and Providers/Suppliers strive to provide the highest level of care to Covered Persons, they will engage in the following behaviors:

- 6.1 Respond promptly and professionally when called upon for consultative and clinical services from Participants and other Providers/Suppliers;
- 6.2 Respond to patient and staff requests for information promptly and appropriately;
- 6.3 Respect the confidentiality and privacy of Covered Persons in accordance with applicable law;
- 6.4 Seek and obtain appropriate consultations;
- 6.5 Arrange for appropriate coverage in accordance with Covenant ACO policies;
- 6.6 Prepare and maintain medical records in accordance with the Participant or Provider/Supplier's Network Participation Agreement or Addendum;

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 220.01-ACO</b>	
<b>TITLE:</b> <b>CODE OF CONDUCT POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 3 of 3
<b>APPROVED BY:</b> Covenant ACO, Inc. Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- 6.7 When terminating or transferring care of an Covered Person, provide a prompt handoff that has pertinent and appropriate medical information to ensure continuation of care, medication reconciliation, and adequate follow-up; and
- 6.8 Be collaborative with and respectful of all multidisciplinary team members and individuals involved in the care of Covered Persons.
- 7.0** Participants and their Providers/Suppliers are required to contribute meaningfully to the Covenant ACO community by:
- 7.1 Serving on Covenant ACO committees when requested and eligible;
- 7.2 Notifying the Medical Director of any Participant or Provider/Supplier who may be impaired, disruptive or who repeatedly violates the Code of Conduct;
- 7.3 Following and obeying the law at all times;
- 7.4 Holding in strictest confidence all information pertaining to peer review, and quality review improvement activities concerning Participants and Providers/Suppliers;
- 7.5 Protecting the confidentiality of log-in identification and passwords that access any Covenant ACO health care data as well as protecting patient identifiable information or other confidential Covenant ACO information from loss or theft; and
- 8.0** The medical record is a vital legal document that records all aspects of a patient's health care. This document should include but not be limited to all information regarding patient histories and physicals, diagnostic evaluations, treatment plans and outcomes. All entries in the medical record must be dated. Additionally they should accurately reflect the professional recommendations and actions taken by all health care providers. Medical record entries should reflect the same level of respect that is expected of interpersonal and verbal communications previously set forth in this Code of Conduct. It is inappropriate to include in the medical record descriptions of interpersonal conflicts, judgmental statements of others or unprofessional attitudes.
- 9.0** All Participants and Providers/Suppliers are expected to adhere to the principles and guidelines outlined in this Code of Conduct.
- 10.0** Administration of the Code of Conduct is the responsibility of the Medical Director.
- 11.0** Participants who do not abide by the Code of Conduct are subject to disciplinary and/or corrective actions, and if warranted, termination, in accordance with the Credentialing Policy and Peer Review Policy.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 300.01 - ACO</b>	
TITLE: <b>CONFIDENTIALITY POLICY</b>	ORIGINATION DATE: 12/14/2017 REVIEW // REVISION DATE(S):	PAGE: Page 1 of 4
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A	

## **PURPOSE**

The purpose of this policy is to define requirements under which certain individuals involved in Covenant ACO, Inc. ("Covenant ACO") will be required to review and sign a Confidentiality Statement setting forth their understanding and agreement regarding the confidentiality of certain information such persons access through Covenant ACO.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and Committee Members; All Participants and their Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates; any other third party that performs credentialing services at the request of Covenant ACO.

## **POLICY**

Pursuant to the Covenant ACO Bylaws, the Covenant ACO Board has adopted this policy to set forth standards for maintaining confidentiality of certain information.

Employees, Board Members, and committee members are required annually to sign the Confidentiality Statement and are responsible for maintaining confidentiality of certain information described within the Confidentiality Statement.

## **DEFINITIONS**

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

Each Covenant ACO employee, Participant, Provider/Supplier, and other person who has access to the following information must meet the following criteria:

### **1. Confidentiality Statement**

- 1.1. All Covenant ACO employees, Board Members, and members of any committee must sign a Confidentiality Statement (Attachment A) upon hire, upon beginning their term of service in a relevant position and as otherwise provided in this policy.
- 1.2. The Confidentiality Statement clearly indicates that each individual agrees not to disclose Confidentiality Information or use such Confidential Information except in accordance with bona-fide purposes consistent with the activity or use for which the information was disclosed, or as otherwise permitted by applicable law.
- 1.3. "Confidential Information" may include business or personal information, whether written or oral, that would be harmful to Covenant ACO, CHP or any of their related organizations, patients, employees, members, and/or participants, including information regarding:

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 300.01 - ACO</b>	
<b>TITLE:</b> <b>CONFIDENTIALITY POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 4
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- (a) payer contracts, pricing and contract negotiations;
  - (b) information obtained in connection with credentialing, peer review, quality assurance or improvement activities, including peer review information;
  - (c) information relating to care furnished by Participant or Provider/Supplier care quality, cost, patient satisfaction, resource utilization or other information related to care delivery;
  - (d) matters relating to on-going state or federal investigations, litigation or risk management matters;
  - (e) protected health information (as defined by HIPAA), other sensitive health information as defined by state law, patient records, data and reports;
  - (f) matters which would be publicly or politically sensitive to Covenant ACO, CHP, Covenant or each of their related organizations, patients, physicians, or employees if disclosed;
  - (g) matters of a personal nature dealing with a Participant or Provider/Supplier's performance, personal or professional activities or business; and
  - (h) other information identified by a Covenant ACO, CHP or Covenant Board, committee, director or officer as Confidential Information.
- 1.4. As part of the Confidentiality Statement, Covenant ACO Board members and committee members will also be obligated to agree to and to disclose information regarding financial or other outside interests that relate to CHP and/or Covenant ACO activities, and as otherwise required by applicable law.
- 1.5. Covenant ACO employees, Board members, and committee members must re-sign the Confidentiality Statement to re-affirm their commitment to maintaining the privacy of Confidential Information on an annual or other basis as required by the Board.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 300.01 - ACO</b>	
TITLE: <b>CONFIDENTIALITY POLICY</b>	ORIGINATION DATE: 12/14/2017 REVIEW // REVISION DATE(S):	PAGE: Page 3 of 4
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A	

## ATTACHMENT A

### CONFIDENTIALITY STATEMENT

As a member of the Board of Directors, a standing or other committee of Covenant Health Partners, Inc. ("CHP") and/or Covenant ACO, Inc. ("Covenant ACO") or an employee of CHP or Covenant ACO, I understand that I may come into contact with "Confidential Information" (as further defined below) that is highly confidential, and that disclosure or dissemination of such information could be damaging to CHP, Covenant ACO, their participants, affiliates and other persons and organizations.

I understand and agree that as a participant in CHP and/or Covenant ACO, or as a Board or Committee member or employee, I am subject to various requirements relating to confidentiality and confidential information, including requirements contained in the CHP and/or Covenant ACO bylaws and other governing documents, policies and procedures, and federal and state laws, rules and regulations. I agree to abide by the terms of these governing documents, laws and regulations pertaining to matters of confidentiality.

Without limiting the preceding, I, as an employee of CHP or Covenant ACO or a member of a CHP and/or Covenant ACO Board and/or Committee, acknowledge and agree that all Confidential Information discussed and/or provided to me, or of which I become aware, will: (a) be held in strict confidence, (b) not be disseminated or disclosed to anyone not authorized to receive it, (c) not be used in a discriminatory or unlawful manner against CHP, Covenant ACO, or any of their respective participants, provider/suppliers, patients, employees, or affiliates, and/or (d) will not be used for any purposes other than those related to my services to CHP and/or Covenant ACO, or the Board and/or Committees upon which I serve. I also agree that, as a member of CHP and/or Covenant ACO Board or Committees, I am required and will disclose information regarding my financial or other outside interests that relate to CHP and/or Covenant ACO activities, to CHP and/or Covenant ACO in accordance with applicable policies and procedures and as otherwise required by law.

"Confidential Information" may include business or personal information, whether written or oral, that would be harmful to CHP or Covenant ACO, or any of their related organizations, patients, employees, participants and /or provider/suppliers including, without limitation, information regarding (a) payer contracts, pricing and contract negotiations; (b) information obtained in connection with credentialing, peer review, quality assurance or improvement activities, including peer review information; (c) information relating to care furnished by participant or provider/supplier care quality, cost, patient satisfaction, resource utilization or other information related to care delivery; (d) matters relating to on-going state or federal investigations, litigation or risk management matters; (e) protected health information (as defined by HIPAA), other sensitive health information as defined by state law, patient records, data and reports; (f) matters which would be publicly or politically sensitive to CHP, Covenant ACO, Covenant or each of their related organizations, patients, physicians, or employees if disclosed, (g) matters of a personal nature dealing with a participant or provider/supplier's performance, personal or professional activities or business; and (h) other information identified by a CHP or Covenant ACO, CHP or Covenant Board, c Committee, director or officer as Confidential Information. Without limiting the foregoing, I understand and agree that any

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 300.01 - ACO</b>	
<b>TITLE:</b> <b>CONFIDENTIALITY POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 4 of 4
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

disclosure of peer review information in a manner that is not permitted by applicable policies governing peer review is strictly prohibited.

Failure to adhere to the terms of this Confidentiality Statement will result in appropriate action in accordance with the applicable CHP and/or Covenant ACO bylaws, policies and procedures. By signing below, I acknowledge that I am familiar with the applicable bylaws, policies and procedures, and have read, agree to and will comply with the foregoing.

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**Signature**

**Printed**

**Date**

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 310.01 - ACO</b>	
<b>TITLE:</b> <b>CLINICAL INTEGRATION PERFORMANCE INFORMATION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 4
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

This policy provides guidance regarding the collection and dissemination of Clinical Integration Performance Information relating to Covenant ACO, its Participants, Provider/Suppliers, other entities and individuals in connection with the Covenant ACO clinical integration program.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their participating Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **POLICY**

The collection, review, dissemination and use of Clinical Integration Performance Information is intended to drive improvements in clinical service, quality, cost and other objectives consistent with the purposes of Covenant ACO's participation in the Medicare Shared Savings Program and the organization's clinical integration program. Covenant ACO, its Participants, Providers/Suppliers, and other entities and individuals within the scope of this Policy are required to follow the procedures described herein in connection with the collection, dissemination and use of Clinical Integration Performance Information.

## **DEFINITIONS**

**Clinical Integration Performance Information:** Data and information relating to services and performance of the Covenant ACO network, its Participants, Provider/Suppliers, and other entities and individuals who are involved in the delivery of health care services in the Covenant ACO service area. Clinical Integration Performance Information may include, by illustration and without limitation, data and information relating to quality, clinical practice patterns, utilization, claims, payment, cost, service, performance, and other variables pertaining to the clinical services and other activities of Covenant ACO, its Participants, Provider/Suppliers, and other entities and individuals; *provided that* Clinical Integration Performance Information will not include personally identifiable Protected Health Information, but it may include information that is de-identified within the meaning of HIPAA. Clinical Integration Performance Information may be derived from various sources which are deemed to be reliable, and such information may be aggregated, summarized, and distributed for use in various formats in connection with the operation of Covenant ACO. Clinical Integration Performance Information is intended to be used for multiple purposes in connection with Covenant ACO's operation, including to inform decision-making regarding Participants, Provider/Suppliers and other entities involved in the Covenant ACO.

**Quality and Performance Committee:** A standing committee of Covenant ACO that operates under the Covenant ACO Bylaws and is authorized by the Covenant ACO Board of Directors (the "**Board**") to (i) evaluate the quality of medical and health care services and the competence of Providers/Suppliers, including the performance of those functions specific by Section 85.204 of the Texas Health and Safety Code, and (ii) engage in activities, such as utilization review, quality assurance/performance improvement review, and peer review, for the purpose of improving the

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 310.01 - ACO</b>	
<b>TITLE:</b> <b>CLINICAL INTEGRATION PERFORMANCE INFORMATION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 4
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

quality and efficiency in the delivery of health care services. As such, the Quality and Performance Committee is a “medical peer review committee,” as defined under the Texas Medical Practice Act.

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

### **1.0 Objectives**

- 1.1 Clinical Integration Performance Information is collected and disseminated in furtherance of the following objectives:
  - (a) Influence the Overall Performance of Covenant ACO. The collection and use of Clinical Integration Performance Information allows for the evaluation and understanding of care quality and cost variables, including over-, under- and appropriate-utilization of services, and Covenant ACO’s overall performance and trends.
  - (b) Influence Individual Provider/Supplier Performance and Practices. Clinical Integration Performance Information relating to the individual Provider/Suppliers is intended to provide useful information regarding individual Provider/Supplier performance and variation in relation to similar providers on clinical quality, cost, utilization and other variables in order to improve the individual Provider/Supplier’s performance and decision-making, and to promote the delivery of high quality, low cost care.
  - (c) Influence Practice Patterns and Referral Practices of Individual Provider/Suppliers. The collection and use of Clinical Integration Performance Information is also to designed to inform patient care and referral decisions of Covenant ACO Provider/Suppliers in order to promote clinical service delivery practices and the use of using high quality, low cost providers/suppliers.
- 1.2 Covenant ACO Provider/Suppliers are expected to review, consider and use Clinical Integration Performance Information and Covenant ACO defined practice protocols in connection with their clinical care activities, including in connection with the selection and use of appropriate provider/suppliers and other entities to furnish medically necessary patient care, as consistent with the Provider/Supplier’s independent professional judgment.
- 1.3 Covenant ACO Providers/Suppliers are not required to refer to other Covenant ACO Participants or Provider/Suppliers, except when a payor arrangement defines the provider network. Patient choice, payor arrangement requirements, and referring Provider/Supplier’s professional medical judgment will be respected at all times.

### **2.0 Components of Programs Relating to Clinical Integration Performance Information**



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 310.01 - ACO</b>	
<b>TITLE:</b> <b>CLINICAL INTEGRATION PERFORMANCE INFORMATION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 3 of 4
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- 2.1 The Board may delegate responsibilities related to the definition, collection, dissemination and use of Clinical Integration Performance Information to the Quality and Performance Committee or such other committee, as may be designated from time to time by the Board.
- 2.2 Program Responsibility.
- (a) The Board or the Quality and Performance Committee, as applicable, has the responsibility to:
- (i) Determine the types of Clinical Integration Performance Information to be collected and disseminated that promote the success of Covenant ACO's clinical integration program, to potentially include consideration of information relating to clinical services, service location, cost/efficiency of services, use of Covenant ACO network Providers/Suppliers to promote clinical integration, and other relevant variables.
  - (ii) Evaluate the reliability and validity of data and information that is considered to be included in Covenant ACO's collection of Clinical Integration Performance Information.
  - (iii) Provide oversight to the data collection and analysis of Clinical Integration Performance Information, and the preparation of reports setting forth such information.
  - (iv) Assess issues and/or problems identified through the review of Clinical Integration Performance Information, make recommendations regarding performance improvement, programmatic adjustments and other actions based on such information.
  - (v) Oversee the dissemination and use of Clinical Integration Performance Information.
  - (vi) Oversee Covenant ACO's activities to ensure that only de-identified information (as opposed to personally identifiable Protected Health Information) within the meaning of HIPAA is included in the network's Clinically Integrated Performance Data.
- 2.3 Discipline. The Quality and Performance Committee is not a disciplinary committee, and will refer issues or concerns with Provider/Supplier performance to the Board or other applicable committee of Covenant ACO.
- 2.4 Program Evaluation. The Board or the Quality and Performance Committee, if applicable, will review, update or modify the practices and processes used to collect, disseminate and use Clinical Integration Performance Information as necessary to

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 310.01 - ACO</b>	
<b>TITLE:</b> <b>CLINICAL INTEGRATION PERFORMANCE INFORMATION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 4 of 4
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

promote the provision of high quality, cost effective care, and the effective operation and success of Covenant ACO and its clinical integration program.

### **LIMITATION OF LIABILITY**

As a condition of participation in Covenant ACO, Participants and Providers/Suppliers release Covenant ACO, CHS, and their respective directors, officers, employees, committee members and agents (collectively, the "Covenant ACO Parties") from any and all liability, and will indemnify and hold harmless Covenant ACO Parties for, from, and against any actions taken or determinations made pursuant to this Policy, including in connection with the collection, dissemination and use of the Clinical Integration Performance Information as consistent with this Policy.

### **REFERENCES**

Tex. Occ. Code § 151.002, as amended

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
TITLE: <b>CREENTIALING POLICY</b>	ORIGINATION DATE: 1/19/2017 REVIEW // REVISION DATE(S): 01.18.18; 08.09.18	PAGE: Page 1 of 16
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A 320.02-ACO	

## **PURPOSE**

This Policy establishes guidelines and procedures for the initial credentialing and re-credentialing processes used to evaluate Applicants' qualifications, professional conduct and competence, and quality of patient care to determine eligibility for Participation under a Network Participation Agreement between a Participant and Covenant ACO, Inc. ("Covenant ACO"). This Policy will also ensure that Covenant ACO conducts the credentialing and re-credentialing processes in compliance with applicable professional and regulatory standards.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; all Participants and their Provider/Suppliers (as applicable), directors, officers, employees, agents, contractors, and affiliates; any other third party that performs credentialing services at the request of Covenant ACO.

## **POLICY**

Covenant ACO, as a "medical organization" and "health care entity" defined respectively in Section 161.031(a) of the Texas Health and Safety Code and in Section 151.001(a)(5)(C) of the Texas Occupations Code, pursuant to the Covenant ACO Bylaws, has authorized the Credentials Committee to perform credentialing processes for initial credentialing and re-credentialing in accordance with this Policy. All final credentialing and re-credentialing decisions are made by the Board.

Covenant ACO, Participants, Provider/Supplier, and all other individuals and entities that fall within the scope of this Policy will follow the guidelines in this Policy to ensure that the credentialing activities and any information created pursuant to such activities remains confidential and privileged at all times, in accordance with applicable federal and state peer review laws, including but not limited to, the Texas Medical Peer Review Committee Privilege set forth at Tex. Occ. Code § 160.007, as amended, and the Texas Medical Committee Privilege set forth at Tex. Health & Safety Code § 161.032, as amended (collectively, the "Peer Review Laws").

## **DEFINITIONS**

Applicant. Each individual who is eligible to be a Provider/Supplier that has completed, signed, and submitted the application to Covenant ACO for initial credentialing or re-credentialing through a Participant.

Credentialing. The process used to help ensure competence through evaluation and verification of documentation regarding professional licensure, clinical experience, peer review or references and data regarding clinical practice of the Applicant for the initial application process and the re-credentialing process for renewal of participation.

Credentialing Forms. Covenant ACO credentialing application forms, including but not limited to, a credentialing application, the Texas standardized credentialing application, any release forms, and criminal background forms.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
TITLE: <b>CREREDENTIALING POLICY</b>	ORIGINATION DATE: 1/19/2017 REVIEW // REVISION DATE(S): 01.18.18; 08.09.18	PAGE: Page 2 of 16
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A 320.02-ACO	

Credentials File. An Applicant’s initial Credentialing Forms and credentialing verification information, and for re-credentialing Applicants, the re-credentialing Credentialing Forms and all quality and peer review information.

Credentials Committee. A committee of Covenant ACO comprised of Providers/Suppliers who are Physicians for the purposes of assisting the Covenant ACO Board in its responsibility to ensure quality of care and patient safety by evaluating each individual Applicant for participation in Covenant ACO, including but not limited to, the Provider/Supplier’s qualifications, professional conduct, and quality of patient care, and providing recommendations to the Covenant ACO Board regarding each application. The Credentials Committee is a “medical peer review committee,” as defined under the Texas Medical Practice Act.

Quality and Performance Committee: A standing committee of Covenant ACO that operates under the Covenant ACO Bylaws and is authorized by the Covenant ACO Board to (i) evaluate the quality of medical and health care services and the competence of Providers/Suppliers, including the performance of those functions specific by Section 85.204 of the Texas Health and Safety Code, and (ii) engage in activities, such as utilization review, quality assurance/performance improvement review, and peer review, for the purpose of improving the quality and efficiency in the delivery of health care services. As such, the Quality and Performance Committee is a “medical peer review committee,” as defined under the Texas Medical Practice Act.

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

**PROCEDURE**

**1.0 Applicant Qualifications.**

Applicants for credentialing, re-credentialing, and continued participation in Covenant ACO must satisfy the following criteria:

1.1 Covenant ACO Network Needs

There is no right to participation in Covenant ACO for any Participant or the Participant’s Providers/Suppliers regardless of an individual’s qualifications or affiliation with Participants.

The Board or its designee will from time to time make a good faith evaluation of the network standards and needs for Covenant ACO. In this evaluation, the Board may consider any criteria, including the standards, metrics, network needs, good faith participation, and other considerations set forth on Exhibit A.

Only those Providers/Suppliers who are affiliated with Participants identified as meeting Covenant ACO’s network needs are eligible to apply for initial credentialing and re-credentialing, and to maintain participation in Covenant ACO under this Policy.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
TITLE: <b>CREDENTIALING POLICY</b>	ORIGINATION DATE: 1/19/2017 REVIEW // REVISION DATE(S): 01.18.18; 08.09.18	PAGE: Page 3 of 16
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A 320.02-ACO	

## 1.2 Minimum Network Participation Criteria

Provided that the Board has determined that Covenant ACO's network has a need for the Applicant, the Applicant must meet the Minimum Network Participation Criteria described on Exhibit B to be eligible to apply for, maintain, and renew participation in Covenant ACO.

In addition to the Minimum Network Participation Criteria, each Applicant must satisfy the Additional Participation Criteria described on Exhibit C.

## 2.0 Initial Credentialing and Re-credentialing.

### 2.1 Initial Credentialing.

Applicants will complete the Credentialing Forms designated by Covenant ACO to permit Covenant ACO or its designee to perform credentialing verification and will submit the completed initial Credentialing Forms to the Covenant ACO business office or as otherwise directed. Covenant ACO will review the Credentialing Forms and will request additional information from Applicant, as needed. Covenant ACO will have no obligation to review or consider Applicant until the Credentialing Forms have been completed and no information is outstanding. Applicant must supply requested information to Covenant ACO within thirty (30) days of a request for additional information. Applicant's failure to provide the requested information within the 30-day period may result in the application being deemed withdrawn. Applicants will execute any consent or authorizations necessary for the application process, including those required for criminal background checks.

### 2.2 Re-credentialing Process.

2.2.1 Every two (2) years based on the Applicant's birthdate or such other period established by the Board, each Provider/Supplier will be re-credentialed. The Provider/Supplier will be evaluated for reappointment at least 120 days prior to the expiration of the initial appointment in the Covenant ACO network and then the second anniversary thereafter.

2.2.2 The Applicant must provide information described in this Policy and as requested by Covenant ACO.

2.2.3 Applications for re-credentialing will be considered in accordance with Section 3 of this Policy.

## 3.0 Credentialing Process.

3.1 Credentialing Forms. Covenant ACO will provide Applicant with a copy of or access to the Credentialing Forms. Applicant must return the completed Credentialing Forms within thirty (30) days of receipt of the Credentialing Forms or as otherwise designated

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
<b>TITLE:</b> <b>CREDENTIALING POLICY</b>	<b>ORIGINATION DATE:</b> 1/19/2017 <b>REVIEW // REVISION DATE(S):</b> 01.18.18; 08.09.18	<b>PAGE:</b> Page 4 of 16
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A 320.02-ACO	

by Covenant ACO. Covenant ACO will have no obligation to review or consider Applicant until the Credentialing Forms have been completed by Applicant.

- 3.2 Credentials Verification. Covenant ACO or its designee will perform credentials verification within ninety (90) days of the date of receipt of completed Credentialing Forms from Applicant. Information regarding Applicant will be verified, using applicable credentialing standards, which may include the National Committee on Quality Assurance, American Accreditation Health Commission, and Texas Department of Insurance and in accordance with this Policy. Primary source verification will be obtained verbally, in writing, and/or on the internet and will include information described on Exhibit D.
- 3.3 Peer Review Information. For the initial credentialing and re-credentialing process, the Credentials Committee will review utilization, quality, and peer review information. For the re-credentialing process, the Credentials Committee will review information received during the prior periods of participation, in accordance with the Peer Review Policy, and information relating to compliance with the Network Participation Agreement and the Clinical Integration Program. The Quality and Performance Committee will provide data on utilization review, quality assurance/performance improvement review relevant to the Applicant.
- 3.4 Request for Information. Applicant will be notified by telephone in the event that the credentialing information obtained from other sources varies substantially from that provided by Applicant in the Credentialing Forms. Applicant must submit corrections and/or clarifications in writing within five (5) days of notification of the variance. Covenant ACO or its designee will document the receipt of the corrections by date stamp and initial. Applicant, upon request, will be informed of the status of his/her credentialing. If an Applicant does not provide information requested by Covenant ACO or its designee within thirty (30) days of the request date, Covenant ACO or its designee may proceed in its review and provide the Applicant's Credentialing Forms and related information to the Credentials Committee with a written explanation of the missing information, and the Credentials Committee may consider the Applicant's credentialing application withdrawn.
- 3.5 Consideration of Applicant's Application.
  - 3.5.1 Administrative Review. Upon Covenant ACO receipt of any credentialing application, Administration receives the application from the provider liaison. Administration evaluates the credentialing application for network needs and other considerations, and may deny the application in its sole discretion prior to submission for Committee Review.
  - 3.5.2 Committee Review and Recommendations. Following Administrative Review, Applicant's Credentials File, including the previous credentialing applications, completed Credentialing Forms, and credentialing verification information, will be submitted to the Quality and Performance Committee for review and recommendation. Following Quality and Performance Committee Review, this

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
<b>TITLE:</b> <b>CREDENTIALING POLICY</b>	<b>ORIGINATION DATE:</b> 1/19/2017 <b>REVIEW // REVISION DATE(S):</b> 01.18.18; 08.09.18	<b>PAGE:</b> Page 5 of 16
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A 320.02-ACO	

information is submitted to the Credentials Committee for review and recommendation to the Covenant ACO Board. The Credentials Committee may recommend one of the following actions to the Covenant ACO Board: (i) accept the credentialing application; (ii) defer any decision pending receipt of additional information; (iii) deny the credentialing application, or (iv) recommend consideration by the Covenant ACO Board without recommendation as to approval or denial of the credentialing application.

3.6 Covenant ACO Board Review and Decision. The Board will evaluate the Applicant's Credentials File and the recommendations of the Credentials Committee. The Board will make a determination whether to accept or reject the recommendations of the Credentials Committee, or to defer any decision pending receipt of additional information.

3.6.1 Approval. If the Board determines that Applicant's initial or renewal application should be approved, Covenant ACO will accept Applicant's individual participation in Covenant ACO. Covenant ACO will then notify Applicant and provide orientation through a provider liaison. Approval of credentialing is subject to execution of an applicable Network Participation Agreement and any other documents determined necessary by Covenant ACO.

3.6.2 Deferral. If a decision on a credentialing application is deferred pending the receipt of additional information, such application and Credentials File will be returned to the Credentials Committee for further evaluation.

3.6.3 Denial. The Board may deny/reject an initial or re-credentialing application if the Applicant fails to document to the Board's satisfaction compliance with the qualifications and criteria, as follows:

(a) Denial Based on Network Needs. The Board may deny an initial or re-credentialing application, or may refuse to consider an application, for a Participant or Provider/Supplier who does not meet, in the Board's determination, the Covenant ACO network needs, which is an administrative determination. The decision to deny the Applicant's initial or re-credentialing application for failure to meet Network Needs will be final, with no right of appeal.

(b) Automatic Denial for Failure to Meet Minimum Network Participation Criteria. If the Board determines that the initial or re-credentialing application should be denied for failure to meet the Minimum Network Participation Criteria for credentialing or for any misrepresentation, misstatement, or omission in the information provided by Applicant for credentialing. The decision to deny the Applicant's initial or re-credentialing application for failure to meet Minimum Network Participation Criteria will be final, with no right of appeal.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
TITLE: <b>CREDENTIALING POLICY</b>	ORIGINATION DATE: 1/19/2017 REVIEW // REVISION DATE(S): 01.18.18; 08.09.18	PAGE:  Page 6 of 16
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A 320.02-ACO	

- (c) Denial for Failure to Meet Other Qualifications. If the Board determines that an Applicant's initial credentialing should be denied for failure to meet the qualifications and criteria (other than Minimum Network Participation Criteria attached as Exhibit B), including the Code of Conduct, the decision is final, with no right of appeal.
- (d) Appeal for Denial of Re-credentialing. If the Board denies an Applicant's re-credentialing application, the Applicant may appeal the decision pursuant to the Peer Review Policy.

3.6.4 Notification. If the Credentials Committee makes a recommendation to the Board not to renew the participation of an individual Provider/Supplier for reasons other than a basis stated in Section 5.1(a) of the Peer Review Policy, the Credentials Committee will notify the Provider/Supplier in writing of the determination and the appeals process and the Provider/Supplier may invoke the appeal process under the Peer Review Policy.

3.7 Bylaws and Policies. All Applicants will be provided with access to a copy of the Covenant ACO Bylaws and policies applicable to Participants and Providers/Suppliers, and such other policies, as may be in effect and/or adopted from time to time. It is the responsibility of the Provider/Supplier to be familiar with the contents of the Bylaws and all Covenant ACO policies.

3.8 Participant Compliance. Participants will comply with and facilitate the credentialing determinations of Covenant ACO under this Policy and will terminate an individual's status as a Provider/Supplier under the Network Participation Agreement if the Applicant is denied participation in accordance with this Policy.

#### **4.0 Credentialing Services by Third-Party.**

Any credentialing support services not reserved to the Board under this Policy may be provided by external contractors (e.g., Covenant Health System ("CHS") or its subcontractors) at the direction of Covenant ACO. Such third-party services may include primary and secondary source verification services. A description of the third-party contractor's credentialing program may include the arrangement described on Exhibit E.

#### **5.0 Notification Obligation.**

Each Applicant or Provider/Supplier must promptly notify the Covenant ACO Medical Director in writing of any of the matters described on Exhibit F between re-credentialing cycles or while an initial or re-credentialing application is pending. Such information may be used by the Medical Director to initiate a report to the Credentials Committee or Quality and Performance Committee for review and consideration.

#### **6.0 Termination of Network Participation Agreement.**



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
TITLE: <b>CREENTIALING POLICY</b>	ORIGINATION DATE: 1/19/2017 REVIEW // REVISION DATE(S): 01.18.18; 08.09.18	PAGE: Page 7 of 16
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A 320.02-ACO	

Nothing in this Policy prevents Covenant ACO from terminating a Network Participation Agreement in accordance with its terms. A Provider/Supplier's participation in Covenant ACO terminates automatically upon termination of the Network Participation Agreement for any reason. There is no right to an appeal termination as a result of the termination of a Network Participation Agreement. Following termination, the Provider/Supplier will no longer be allowed to attend any Covenant ACO Board or other meetings.

### **LIMITATION OF LIABILITY**

As a condition of seeking or continuing participation in Covenant ACO, Participants and Providers/Suppliers release Covenant ACO, CHS, and their respective directors, officers, employees, committee members and agents (collectively, the "Covenant ACO Parties") from any and all liability, and will indemnify and hold harmless Covenant ACO Parties for, from, and against any actions taken or determinations made pursuant to this Policy.

### **CONFIDENTIALITY/SHARING OF PEER REVIEW INFORMATION**

The Credentials Committee acts as a committee appointed by the Board under the Covenant ACO Bylaws, and thus, the review process and all records, proceedings, and communications of the Credentials Committee are considered confidential and privileged and are protected by the Peer Review Laws. As a condition of seeking or continuing participation in Covenant ACO, Applicants consent to the use or disclosure of information as described in this Policy.

Credentialing information may be shared only with the Board, other Covenant ACO committees (including employees, agents, or persons or organizations that serve the committees, such as third-parties that perform credentialing activities on behalf of Covenant ACO), and engaged in the performance of credentialing activities for Covenant ACO. Further, credentialing information is and will be transferred between Covenant ACO's medical peer review committees (i.e., the Credentials Committee and the Quality and Performance Committee) and medical peer review committees of other health care entities in accordance with applicable Texas law.

To ensure privilege is at all times maintained, all incident and occurrence reports, documents and records prepared for a peer review activity, including meeting minutes, agendas, etc., of the Credentialing Committee must be:

1. Designated in a form substantially similar to the following: "PRIVILEGED AND CONFIDENTIAL; PEER REVIEW MATERIALS PURSUANT TO TEX. HEALTH & SAFETY CODE § 161.032 AND TEX. OCC. CODE § 160.007";
2. Maintained securely and prohibited from disclosure at all times;
3. Distributed and collected at Credentials Committee meetings to ensure no further use or disclosure; and

All Credentials Committee members and the Board will be informed that the peer review privilege can be waived by the conduct of the members, so great care should be taken to keep peer review information confidential.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 320.03 - ACO</b>	
<b>TITLE:</b> <b>CREDENTIALING POLICY</b>	<b>ORIGINATION DATE:</b> 1/19/2017 <b>REVIEW // REVISION DATE(S):</b> 01.18.18; 08.09.18	<b>PAGE:</b>  Page 8 of 16
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A 320.02-ACO	

Any disclosure of peer review information outside of the Credentials Committee that is not permitted by this policy is strictly prohibited without the specific approval of legal counsel to Covenant ACO.

**CONFIDENTIALITY / NONDISCRIMINATION**

All personnel and committee members involved in credentialing activities will maintain confidentiality of all information reviewed as part of the credentialing process and are obligated to prevent unauthorized disclosure of such information. Credentials Committee members will be required to sign a statement of confidentiality and non-discrimination.

All credentialing information, including Credentials Committee meeting minutes, is confidential. Credentials Committee reports and communications will be stamped confidential and filed in a secure area. Any breach of PHI/SPI (Protected Health Information/Sensitive Personal Information) as detected by the committee or other source will be addressed by the Chief Medical Officer and Chair of the Credentials Committee who will then inform the Applicant of such breach, should it occur.

**REFERENCES**

- Tex. Health & Safety Code § 85.204, as amended
- Tex. Health & Safety Code § 161.032, as amended
- Tex. Occ. Code § 151.002, as amended
- Tex. Occ. Code § 160.007, as amended
- Tex. Occ. Code § 162.001 et seq., as amended
- 22 Tex. Admin. Code § 177.1 et seq., as amended

## **EXHIBIT A**

### **Network Needs**

1. Needs for Providers/Suppliers in particular specialties or with particular qualifications to ensure adequacy of the Covenant ACO network;
2. Financial ownership interest in an inpatient hospital within the primary or secondary service areas of CHS;
3. Level of current alignment with Covenant ACO;
4. Number of active patients/Covered Persons treated by the Applicant;
5. Whether the Applicant is open or closed to new patients/Covered Persons and whether there are any limitations on the Applicant's patient panel;
6. Contracted commercial and government managed care plans;
7. Number or percentage of Medicare beneficiaries/Covered Persons being treated by the Applicant;
8. Performance under quality metrics maintained or monitored by Covenant ACO and/or Other Entities, including examples of quality metrics described on Exhibit A-1;
9. Other standards, metrics, or other considerations designated by the Board as being material to the consideration of reaching the goals of the Clinical Integration Program and meeting Covenant ACO network needs.

## **EXHIBIT A-1**

### **Example Quality Metrics**

1. CMI – Result, Comparison, Std Dev, Cases
2. Avg Risk of Mortality Level– Result, Comparison, Std Dev, Cases
3. Avg Patient Age– Result, Comparison, Std Dev, Cases
4. Avg. Severity Level– Result, Comparison, Std Dev, Cases
5. Physician Status: Consulting: IP/OP; Discharging: IP/OP; ED Attending: IP/OP; Performing: IP/OP
6. Percent of 3 Day Readmits w/ Excludes (Any APR-DRG) – Result, Comparison, Std Dev, Cases
7. Percent of 30 Day Readmits w/ Excludes (Same MDC) – Result, Comparison, Std Dev, Cases
8. Mortality Rate (W/Exclusions) – Result, Comparison, Std Dev, Cases
9. Mortality Observed/Expected Ratio– Result, Comparison, Std Dev, Cases
10. Percentage Complications of Care– Result, Comparison, Std Dev, Cases
11. Mortality Rate (Excluding Hospice) – Result, Comparison, Std Dev, Cases
12. Hospital Acquired Conditions (HAC7)– Result, Comparison, Std Dev, Cases
13. Central Venous Catheter-related Blood Stream Infection Rate (PSI-7) – Result, Comparison, Std Dev, Cases
14. Postoperative Hemorrhage or Hematoma Rate (PSI-9) – Result, Comparison, Std Dev, Cases
15. Postoperative Pulmonary Embolism or Deep Vein Thrombosis Rate (PSI-12) – Result, Comparison, Std Dev, Cases
16. Average Length of Stay – Average, Comparison, Std Dev, Cases.
17. Adherence to Evidenced Based Medicine
18. Utilization patterns
19. CH Physician Engagement (ER Call, etc)
20. Administrative Metric Performance

## EXHIBIT B

### Minimum Network Participation Criteria

#### **1.0 Licensure and DEA.**

- 1.1 Each Applicant must have a state medical license or other professional license, certification or registration applicable to the Applicant's profession.
- 1.2 Verification must come directly from the state licensing agency. When internet is used to verify licensure, the state licensing agency website will be utilized.
- 1.3 Current Drug Enforcement Agency ("DEA") certificate, if applicable to Provider/Supplier's services.

#### **2.0 Primary Care Physicians (PCP) and Advance Practice Practitioners (APP) With Active Medical Staff Membership**

Except as provided in the Section below, PCPs and APPs must obtain and maintain active medical staff membership and appropriate privileges in good standing at hospitals designated by the Board from time to time (the "Designated Hospitals").

#### **3.0 PCPs with Affiliate Medical Staff Membership**

PCPs who do not maintain active medical staff membership must obtain and maintain affiliate medical staff membership (or similar designation) and appropriate privileges at Designated Hospitals identified by the Board and must meet the following:

- 3.1 Primary office must be within the primary service area of a Designated Hospital.
- 3.2 Provide two letters of recommendation from Physicians who are Providers/Suppliers within Covenant ACO.
- 3.3 Provide the names and contact information for Physicians who will provide in-patient services for the PCP's patients and the Designated Hospital(s) at which those services will be provided.

#### **4.0 Specialty Care Physicians (SPC)**

All Specialty Care Physicians must have medical staff membership in good standing and appropriate privileges applicable to the SCP's specialty at Designated Hospital(s) identified by the Board.

#### **5.0 Continuing Education.** Applicants must demonstrate completion of continuing education in a manner consistent with then-current rules of the applicable licensing agency rules.

#### **6.0 Malpractice Liability.** Applicants must:

- 6.1 Provide requested information on liability claims history and claims experience, including names of all prior carriers.
- 6.2 Have an absence of a history of denial or involuntary cancellation of professional liability insurance.

- 6.3 Have a satisfactory malpractice claims and/or settlement history as determined by the Board.
- 6.4 Remit to Covenant ACO proof of required, continuous professional liability insurance with such limits and in such amounts as determined by the Board from time to time.

### **7.0 Medicare and Medicaid Participation**

Applicants must be enrolled in and bill Medicare through a Participant's tax identification number and not be excluded from participation in any federal health care program, including Medicare and Medicaid.

### **8.0 Criminal Sanctions**

Applicants must not be indicted or convicted of (or have pled *nolo contendere* to) a felony or any law applicable to health care. The Credentials Committee or the Board may consider any other criminal sanctions during the initial credentialing process or a recredentialing process.

### **9.0 Network Participation Agreement**

All Applicants must have received a final credentialing decision by the Board prior to executing a Network Participation Agreement. All Applicants must be and remain in compliance with the Provider/Supplier Addendum to the applicable Network Participation Agreement.

### **10.0 Certified Compliant Electronic Health Record, Clinical Registries and Health Information Exchanges**

**Participant agrees to adopt and implement a certified compliant electronic health record that provides Certified Electronic Health Record Technology (CEHRT) which offers the necessary technological capability, functionality, and security to meet CMS and meaningful use criteria. Participant agrees to participate in clinical registries and health information exchanges, as determined by Covenant ACO and Covenant ACO policies, to facilitate the use and exchange of PHI and other information in connection with patient care and successful performance under**

### **11.0 Code of Conduct**

All Applicants must act at all times in accordance with the Covenant ACO Code of Conduct.

## EXHIBIT C

### **Additional Participation Criteria**

- 1.0** Provide high quality and cost efficient care, adhering to standards determined by the Board, including without limitation all MSSP and Clinical Integration Program requirements.
- 2.0** Participate in the activities of Covenant ACO (for Physicians, such activities include committee functions and section or department activities, for which the Physician has assumed responsibility by appointment, election or otherwise).
- 3.0** Prepare and complete in a timely fashion medical and other related records for all patients and Covered Persons.
- 4.0** Allow access to inpatient and ambulatory records for review by appropriate committees/designees of Covenant ACO, while preserving confidentiality and/or privileged nature of such records.
- 5.0** Authorize Covenant ACO to consult with members of the medical staff of CHS and other hospitals with which the Applicant has been associated and with others who may have information bearing on pertinent aspects of the credential application.
- 6.0** Fulfill requirements for continuing education standards as required to maintain licensure or as determined by the Board.
- 7.0** Participate in office site visits by Covenant ACO to document and verify the adequacy of the facility, medical records and other applicable standards.
- 8.0** Consent to Covenant ACO's inspection of all records and documents that may be material to an evaluation of professional qualifications and competence to carry out the professional health care services requested.
- 9.0** Allow access to CHS or other Designated Hospital credentialing and/or peer review records and information for review by appropriate committee/designees of Covenant ACO, while preserving the confidentiality and/or privileged nature of such records.
- 10.0** For Physicians, perform medical supervision of Advance Practice Professionals and other individuals performing services under the Physician's supervision in accordance with guidelines promulgated by the applicable licensing board, including the Texas Medical Board and the Texas Board of Nursing.
- 11.0** Provide appropriate twenty-four hour coverage for their practice.

## **EXHIBIT D**

### **Primary Source Verification Information**

- 1.0** State license to practice medicine from the TMB or the applicable state licensing authority. Verification must come directly from the state licensing agency. When internet is used to verify licensure, the state licensing agency website will be utilized.
- 2.0** Current copy of valid DEA certificate (as applicable) date stamped and initialed;
- 3.0** Texas Department of Public Safety certificate will be verified (date stamped and initialed) utilizing the agency website.
- 4.0** Education and training, including board certification (if the Applicant states on the application that he/she is board certified and the highest level of credentials attained). If a Physician is board-certified, verification of that board certification will be completed through American Osteopathic Association or American Board of Medical Specialties. For Applicants who are not board certified, verification of completion of residency or training programs will be performed by a request of written verification from the residency or training program. Written verification of graduation from a medical school outside the United States will be obtained from the Educational Commission of Foreign Medical Graduates, if applicable.
- 5.0** A minimum of five (5) years of work history must be obtained through the Applicant's application or curriculum vitae. Any gaps exceeding six (6) months should be reviewed and clarified in writing. Verbal communication must be appropriately documented in the credentialing file. A gap in work history that exceeds one (1) year must be clarified in writing.
- 6.0** History of professional liability claims that resulted in settlements or judgments paid by or on behalf of the Applicant. Written confirmation of the past five (5) years of history of malpractice settlements will be obtained from the malpractice carrier(s).
- 7.0** Verification of current malpractice coverage including dates and amount of the current malpractice insurance coverage. Proof of coverage will be date stamped and initialed.
- 8.0** Review of information on sanctions, restrictions on licensure and limitations on scope of practice must be made for the most recent five (5) years.
- 9.0** Review of Medicare and Medicaid sanctions must cover the most recent three (3) years.
- 10.0** Medicare NPI and enrollment information.



## **EXHIBIT E**

### **Third-Party Credentialing Arrangement**

An arrangement with a third-party credentialing services contractor will describe the following in writing:

- 1.0** Credentialing activities and the responsible third-party contractor.
- 2.0** Reporting requirements of the contractor to Covenant ACO.
- 3.0** Evaluation of the third-party contractor's performance.
- 4.0** Approval of the third-party contractor's implementation of Covenant ACO's credentialing program by the Board.
- 5.0** Covenant ACO's mechanism to evaluate the third-party contractor's program reports.
- 6.0** Covenant ACO's right to approve new Participants, and to suspend Providers/Suppliers or cause Participants to terminate the Providers/Suppliers, without regard to the third-party contractor's recommendations or actions.
- 7.0** Covenant ACO's right to monitor annually the effectiveness and compliance of the third-party contractor's credentialing and reappointment or recertification processes, including timeliness and confidentiality.
- 8.0** Specific requirements for the performance of primary source verification.
- 9.0** Obligations for engagement of subcontractors to include notification of Covenant ACO when a subcontractor is being engaged.

## **EXHIBIT F**

### **Notification Obligation Events**

- 1.0** Any change in state licensure status, including any investigation, probation, letter of admonition, suspension, termination or voluntary relinquishment.
- 2.0** Any change in DEA certificate, if a DEA certificate is applicable to the Applicant's services, including any investigation, suspension, termination or voluntary relinquishment.
- 3.0** Any investigation, probation, suspension (other than medical records suspension of three or fewer days), termination or voluntary relinquishment (while under investigation) of medical staff membership or privileges with any hospital or other health care facility.
- 4.0** Any termination, leave of absence, or suspension of employment or contract with a Participant.
- 5.0** Any professional liability claims, settlements or judgments not fully disclosed in the prior application(s).
- 6.0** Any investigation, sanctions, revocation or voluntary relinquishment of participation in Medicare or Medicaid.
- 7.0** Any criminal indictment, conviction or plea of nolo contendere.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 330.02 - ACO</b>	
<b>TITLE:</b> <b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 1 of 6
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 330.01 - ACO	

## **PURPOSE**

The purpose of this policy is to ensure that Covenant ACO, Inc. ("Covenant ACO"), and its Participants may not interfere with, control, or otherwise direct a Provider/Supplier's professional judgment; and to preserve and/or improve the quality, appropriateness and safety of patient care, in accordance with the purpose of the MSSP and the Covenant ACO Bylaws.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and any committee members; All Participants and their participating Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates; any third party that performs quality assurance/improvement review at the request of Covenant ACO or on behalf of which Covenant ACO performs quality assurance/improvement review.

## **POLICY**

This policy describes the Covenant ACO approach to quality that is used to plan, design, measure, assess and improve organizational performance and patient care.

Under this policy, Covenant ACO will:

- a. Achieve quality improvement goals in a systematic manner through collaboration with its Providers/Suppliers;
- b. Provide a culture where care is delivered in a safe environment and quality care is measured, monitored, and continuously improved;
- c. Utilize quality improvement information and aggregate data in formulating and achieving objectives of the MSSP and Covenant ACO Clinical Integration Program;
- d. Provide a systematic, coordinated and continuous approach to the maintenance and improvement of patient safety; and
- e. Develop, implement and maintain initiatives and programs to evaluate and improve the quality of health care services.

## **DEFINITIONS**

**Quality Committee:** A standing committee of Covenant ACO that operates under the Covenant ACO Bylaws and is authorized by the Covenant ACO Board to (i) evaluate the quality of medical and health care services and the competence of Providers/Suppliers and (ii) engage in activities, such as utilization review, quality assurance/performance improvement review, and peer review, for the purpose of improving the quality and efficiency in the delivery of healthcare services.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 330.02 - ACO</b>	
<b>TITLE:</b> <b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 2 of 6
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 330.01 - ACO	

Quality Assurance or Performance Improvement (“QA/PI” or “QA/PI Program”): The integration of all aspects of quality and performance improvement which have a direct or indirect impact on patient care and safety.

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

### **1.0 Vision, Principles, Values**

- 1.1 Vision: Covenant ACO will be the highest quality and lowest cost accountable care organization in the region.
- 1.2 Key Principles: The QA/PI initiatives will achieve Covenant ACO’s vision by embracing these key principles:
  - (a) Continually develop a culture with a passion for providing exceptional quality service.
  - (b) Put forth best practices to ensure optimal clinical outcomes, which meet high ethical and clinical standards of care and safeguard the integrity and safety of patients and employees.
  - (c) Select the right employees, Participants, and Providers/Suppliers and empower them through education and training.
- 1.3 Values: The following Covenant ACO value statements are essential and timeless:
  - (a) To provide high-quality, cost-effective health services.
  - (b) To be honest, trustworthy and reliable in all relationships.
  - (c) To be a leader in the health care industry.
  - (d) To pursue fiscal responsibility and growth.
  - (e) To treat employees, physicians, and others fairly.

### **2.0 Assignment of Responsibility**

- 2.1 Covenant ACO Board: The Board is responsible for establishing and maintaining Covenant ACO’s QA/PI Program. The Board has established the Quality Committee to delegate responsibilities of implementation and oversight of the QA/PI Program to such Quality Committee, consistent with this policy and the Covenant ACO Bylaws. It is the duty of the Board to assure patient care is safely

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 330.02 - ACO</b>	
<b>TITLE:</b> <b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 3 of 6
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 330.01 - ACO	

delivered within the guidelines established by Covenant ACO while meeting all standards and regulations.

The Board is responsible for creating an environment that promotes quality assurance and improvement through the safe delivery of patient care, quality outcomes and high customer satisfaction. The Board authorizes and designates the Quality Committee to perform the following functions:

- (a) Adopt an approach to QA/PI and set priorities for Covenant ACO-wide quality assurance and improvement that are designed to improve safe patient care delivery, outcomes, and customer service.
- (b) Ensure an ongoing, proactive program for identifying and reducing unanticipated adverse events and patient safety risks.
- (c) Ensure that important processes and activities are measured, assessed, and improved systematically throughout Covenant ACO.
- (d) Participate in QA/PI activities in collaboration with the Participants, Provider/Suppliers and Covenant ACO's employees and contractors.
- (e) Allocate adequate resources including personnel, time, and data collection systems for assessment and improvement of Covenant ACO's governance, managerial, clinical and support processes.
- (f) Assure that Covenant ACO's employees and contractors are trained in the basic approaches and methods of QA/PI, including the tools utilized in evaluating processes and systems that contribute to improved patient outcomes.
- (g) Analyze and evaluate the effectiveness of the QA/PI activities.

2.2 Participants, Providers/Suppliers and Covenant ACO Employees and Contractors: Participants, Providers/Suppliers, and Covenant ACO's employees and contractors will participate in identifying opportunities for QA/PI, data collection and implementing actions to sustain quality care and improvements thereto.

### 3.0 Measuring and Monitoring Quality

- 3.1 Covenant ACO's processes, functions, or services are designed and/or redesigned in a manner that is consistent with sound business practices and are:
  - (a) Consistent with the mission, vision, values, goals and objectives, and plans, including the Clinical Integration Program;

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 330.02 - ACO</b>	
<b>TITLE:</b> <b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 4 of 6
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 330.01 - ACO	

- (b) Meeting the needs of individuals served, employees, contractors, and others;
- (c) Clinically sound and current;
- (d) Incorporating information from within Covenant ACO and from other organizations about potential/actual risks to patients; and
- (e) Incorporated into the results of QA/PI activities.

3.2 Data is systematically aggregated and analyzed and is used to:

- (a) Establish a quality performance baseline;
- (b) Describe process performance or stability;
- (c) Describe the dimensions of quality relevant to functions, processes, and outcomes; and
- (d) Make changes that improve quality and patient safety and reduce the risk of sentinel events.

3.3 Covenant ACO collects data on measures including, but not necessarily limited to, the following, in accordance with applicable federal and state privacy and confidentiality laws and regulations:

- (a) Medication management, if applicable;
- (b) Procedures that place patients at risk;
- (c) Appropriateness and effectiveness of pain management, if applicable;
- (d) Utilization review and management including medical necessity and appropriateness of diagnosis and treatment;
- (e) Quality control;
- (f) Medical record compliance;
- (g) Patients, families and employees and contractors' opinions including perceptions of risk to, patients, and suggestions to improve patient safety and care;
- (h) Attitudes towards reporting medical/healthcare errors;
- (i) Research data when applicable

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 330.02 - ACO</b>	
<b>TITLE:</b> <b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 5 of 6
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 330.01 - ACO	

- (j) Contracted Quality and Cost Measures; and
  - (k) Patient and Provider/Supplier satisfaction.
- 3.4 Covenant ACO requires an intense analysis of undesirable patterns or trends in quality when the following is identified which includes, but is not limited to:
- (a) Levels of performance, patterns, or trends vary significantly and undesirably from those expected;
  - (b) Performance varies significantly and undesirably from that of other organizations;
  - (c) Performance varies significantly and undesirably from recognized standards;
  - (d) Significant medication errors and hazardous conditions;
  - (e) Significant adverse events; and
  - (f) Occurrences or untoward events that impact patient safety.

The Quality Committee shall report any negative, adverse, or reportable findings or data relating to the professional practice or competence of a Provider/Supplier to the Covenant ACO Board, the Covenant ACO Credentials Committee, the Peer Review Committee, or the Quality Committee shall engage in the peer review process pursuant to the Peer Review Policy.

#### **4.0 Confidentiality**

All QA/PI activities and data are protected under applicable federal and state peer review privilege laws and regulations, including but not limited to, the Texas Medical Committee Privilege, as set forth at Tex. Health & Safety Code § 161.032, as amended, and the Texas Medical Peer Review Committee Privilege, as set forth at Tex. Occ. Code § 160.007 et seq., as amended (collectively, the "Peer Review Laws"). Confidentiality of peer review records, proceedings and communications is protected to the Peer Review Laws.

Confidential information may include, but is not limited to:

- a. Covenant ACO Board Minutes;
- b. QA/PI Program and Quality Committee Minutes;
- c. Credentialing Committee Minutes;
- d. QA/PI Quality and Credentialing Slide Decks

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 330.02 - ACO</b>	
<b>TITLE:</b> <b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 6 of 6
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 330.01 - ACO	

- e. Electronic data and reporting; and/or
- f. Other information or documentation generated in the furtherance of QA/PI functions.

Some information may be disseminated on a “need to know basis” as required by agencies such as federal review agencies, regulatory bodies or any individual or agency that proved a “need to know basis,” as approved by the Board.

All QA/PI activities, information and documentation generated by the Board or the Quality Committee, and for the purposes of an investigation, are not considered routine records generated by Covenant ACO in the ordinary course of business.

To the extent possible, any of the confidential information identified in this Section VII shall be marked in a form substantially similar to the following: **“PRIVILEGED AND CONFIDENTIAL; PEER REVIEW MATERIALS PURSUANT TO TEX. HEALTH & SAFETY CODE § 161.032 AND TEX. OCC. CODE § 160.007”**.

## 5.0 Evaluation

The Board and/or the Quality Committee shall review the effectiveness of this policy to ensure that the collective effort is comprehensive and improving patient care and safety. An evaluation is completed to identify components of the plan that require development, revision or deletion. Covenant ACO’s leaders also evaluate their contributions to the QA/PI Program and improving patient care and safety.

## REFERENCES

Tex. Health & Safety Code § 85.204, as amended  
Tex. Health & Safety Code § 161.032, as amended  
Tex. Occ. Code § 151.002, as amended  
Tex. Occ. Code § 160.007, as amended  
Tex. Occ. Code § 162.001 et seq., as amended  
22 Tex. Admin. Code § 177.1 et seq., as amended



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE: 4/20/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 1 of 12</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

**PURPOSE**

The purpose of this policy is to establish guidelines and procedures regarding Peer Review (defined below) of the clinical activities and independent practice of Providers/Suppliers participating in Covenant ACO, Inc. ("Covenant ACO"). This process assists Covenant ACO in the identification of opportunities for improvement in patient care, monitoring the quality of patient care rendered, evaluating the Provider/Supplier's competence and providing constructive feedback relevant to the Provider/Supplier. The foremost objective of the Peer Review activities conducted by Covenant ACO is the promotion of high quality patient care and patient safety.

**SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their Provider/Supplier, directors, officers, employees, agents, contractors, and affiliates; Any other third party that performs Peer Review activities at the request of Covenant ACO; any other Peer Review committee of an entity affiliated or contracted with Covenant ACO.

**POLICY**

Covenant ACO, as a "medical organization" and "health care entity" defined respectively in Section 161.031(a) of the Texas Health and Safety Code and in Section 151.001(a)(5)(C) of the Texas Occupations Code, will provide guidelines to its Quality and Performance Committee, Participants, and Providers/Suppliers for the performance of Peer Review related activities to assist in the identification of opportunities for improvement in patient care, monitoring the quality of patient care rendered, and providing constructive feedback relevant to the performance of the Provider/Supplier. Peer Review will be timely and timeframes specified will be adhered to reasonably.

The Peer Review conclusions will be defensible – i.e., the conclusions reached through the process or supported by a rationale that specifically addresses the issues for which the Peer Review was conducted, including as appropriate, reference to the literature and relevant clinical practice guidelines. Peer Review will be balanced, and minority opinions and views will be considered and recorded. Peer Review will be useful, and the results of the Peer Review activities will be considered in Provider/Supplier specific credentialing/re-credentialing decisions and as appropriate in the Covenant ACO's quality assurance and performance improvement activities.

Covenant ACO, Participants, Provider/Supplier, and all other individuals and entities that fall within the scope of this policy will follow the guidelines in this policy to ensure that the Peer Review activities and any information created pursuant to such activities remains confidential and privileged at all times, in accordance with applicable federal and state Peer Review laws, including but not limited to, the Texas Medical Peer Review Committee Privilege set forth at Tex. Occ. Code § 160.007, as amended, and the Texas Medical Committee Privilege set forth at Tex. Health & Safety Code § 161.032, as amended (collectively, the "Peer Review Laws").

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE: 4/20/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 2 of 12</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

## **DEFINITIONS**

**Advisory Review Panel:** A panel of three or more Provider/Suppliers that includes a representative of the Provider/Supplier's specialty or similar area if available, appointed by the Covenant ACO Board of Directors (the "**Board**") to review an Adverse Recommendation (defined below) and make recommendations to the Board.

**Quality and Performance Committee:** A standing committee of Covenant ACO that operates under the Covenant ACO Bylaws and is authorized by the Covenant ACO Board to (i) evaluate the quality of medical and health care services and the competence of Providers/Suppliers, including the performance of those functions specific by Section 85.204 of the Texas Health and Safety Code, and (ii) engage in activities, such as utilization review, quality assurance/performance improvement review, and Peer Review, for the purpose of improving the quality and efficiency in the delivery of health care services. As such, the Quality and Performance Committee is a "medical peer review committee," as defined under the Texas Medical Practice Act.

**Peer Review:** The evaluation of medical and health care services, including evaluation of the qualifications and professional conduct of the Providers/Suppliers and of patient care provided by those Providers/Suppliers. Capitalized terms not otherwise defined in this Policy will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

### **1.0 General Information.**

Providers/Suppliers participate in the Peer Review process through their involvement in activities to measure, assess, and improve performance on an organization-wide basis.

The Board or Quality and Performance Committee, if delegated, shall conduct ongoing specific review and evaluation activities that contribute to the preservation and improvement of the quality, performance, effectiveness, safety and efficiency of patient care provided throughout Covenant ACO. The Board or the Quality and Performance Committee shall objectively review, analyze and evaluate quality of care and performance provided in Covenant ACO based on objective and measurable standards of care/performance.

### **2.0 Peer Review Functions.**

Peer Review functions of the Quality and Performance Committee specifically include the following:

- 2.1 Collecting and analyzing data to generate evidence-based clinical protocols, metrics, and best practices;
- 2.2 Developing quantitative performance metrics (e.g., indicators, standards, benchmarks) on certain areas, including but not limited to, utilization, length-of-stay, clinical quality, patient safety, and professional service quality, and recommending processes and timelines for achievement of such metrics;

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE: 4/20/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 3 of 12</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

- 2.3 Monitoring performance in relation to the metrics;
- 2.4 Evaluating, developing, and monitoring interventions to improve performance;
- 2.5 Providing reports of Peer Review activities to the Credentials Committee, Quality and Performance Committee or the Board;
- 2.6 Performing activities under the Utilization Review Policy;
- 2.7 Any actions defined as “Medical Peer Review” or “Professional Review Actions” in Section 151.002(a)(7) of the Texas Medical Practice Act, including but not limited to, the evaluation of the:
  - (a) merits of a complaint relating to a Provider/Supplier and a determination or recommendation regarding the complaint;
  - (b) accuracy of a diagnosis;
  - (c) quality of the care provided by a Provider/Supplier;
  - (d) report made to the Quality and Performance Committee, the Credentials Committee, to another committee, or to the Covenant ACO Board as permitted or required by law; and
  - (e) implementation of the duties of the Quality and Performance Committee or the Credentials Committee by a member, agent, or employee of the committee.

### **3.0 Peer Review Events.**

The Peer Review process for a Provider/Supplier may be prompted by any of the following events or occurrences, including but not limited to those events described on Exhibit A.

### **4.0 Peer Review Process.**

Once a potential Peer Review event or issue has been identified, the following will occur:

- 4.1 Clinical Review Report. The Board, identifying committee, or the Covenant ACO Medical Director may initiate the Peer Review process by submitting a clinical review report that includes a brief summary of the reason for review (or description of the incident) that will be reviewed by the Quality and Performance Committee. The Board may perform any activity of this Policy without involvement of the Quality and Performance Committee.
- 4.2 Review Process.
  - (a) The Quality and Performance Committee will complete review within ninety (90) days after all data is available and/or all responses for additional

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE: 4/20/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 4 of 12</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

information/explanation have been received to determine the appropriate action. This review may involve a root cause analysis (i.e., a process for identifying the basic or causal factor or factors that underlie the variation in performance).

- (b) If it is determined that immediate review is required, the Chairperson of the Quality and Performance Committee ("Chairperson") shall be notified. The 90-day timeframe does not apply if a case is referred to external review (including legal review). Circumstances under which external Peer Review may be required:
  - (i) In circumstances when it is determined by the Covenant ACO Board or the Quality and Performance Committee with approval from the Covenant ACO Board that there is no Provider/Supplier to serve as a "peer" (i.e., an associate with the same role expectations and performance description);
  - (ii) In the event that neither the Quality and Performance Committee nor the Board are able to make a determination as to the issue being reviewed;
  - (iii) In cases where partners or competitors would not be appropriate "peers," as determined by the Board.

4.3 Remediation Plan. The Board or the Quality and Performance Committee may determine that a Provider/Supplier's conduct, performance, or deficiency is eligible for a written remediation plan ("Remediation Plan"). The Remediation Plan will be administered and developed according to the process described on Exhibit B.

4.4 Probation, Summary Suspension, and/or Recommendation for Termination.

- (a) Upon review of quality reporting information obtained and collected through the Review Process, the Quality and Performance Committee may recommend probation for one year of a Provider/Supplier's individual participation in Covenant ACO to the Board based on the determination that the conduct of the Provider/Supplier adversely affects the performance of Covenant ACO. Quality reporting information includes, but is not limited to, Participant administrative metrics and Participant obligations under any other Covenant ACO Policies. Upon the conclusion of the year of probation, if the Provider/Supplier has successfully completed his/her probation requirements, probationary status will be removed. If upon the conclusion of the year of probation the Provider/Supplier has not successfully completed his/her probation requirements, the Quality and Performance Committee may recommend termination of the Provider/Supplier for approval by the Board of Directors. Quality and Performance Committee is not required to recommend probation, and may in its sole discretion recommend termination for approval by the Board of Directors. Provider/Suppliers are not entitled to distributions for the year they are under probationary status.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 5 of 12
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

- (b) Upon review of the information obtained and collected through the Review Process, the Quality and Performance Committee may recommend termination of Provider/Supplier's individual participation as a Provider/Supplier in Covenant ACO to the Board based on the determination that the conduct of the Provider/Supplier: (i) adversely affects or could adversely affect the health or welfare of a patient or other individual, (ii) is disruptive to Covenant ACO's operations, (iii) is unlikely to be improved or rectified, or (iv) is inconsistent with the Clinical Integration Program or the Code of Conduct Policy.
- (c) The Quality and Performance Committee may impose a summary suspension on a Provider/Supplier in Covenant ACO if the Provider/Supplier presents a risk of imminent danger or harm to a patient or other individual, or based on other good cause, including violation of the Code of Conduct Policy. The Provider/Supplier's suspension will continue until (1) the Board has made a final determination that the Provider/Supplier does not present a risk of imminent danger or harm to a patient or other individual, or (2) the Board has made a final determination whether to terminate the Provider/Supplier's participation.

## 5.0 Appeal Process.

- 5.1 The appeal process under this Policy does not apply, and the Quality and Performance Committee may recommend immediate suspension or termination under the Termination Policy, if the basis for suspension or termination is one or more of the following:
  - (a) the Provider/Supplier's non-compliance with the MSSP requirements or other program integrity issues, including those identified by CMS in accordance with 42 C.F.R. § 425.116, as determined by the Quality and Performance Committee, in its sole discretion;
  - (b) any determination that is specifically denied appeal rights under the Credentialing Policy (including as based on absence of network need), including violation of the Code of Conduct Policy;
  - (c) the termination of a Provider/Supplier's employment (or other contractual relationship) with the Participant;
  - (d) the termination of a Participant's Network Participation Agreement (unless the Participant has only one Provider/Supplier).
- 5.2 If the Quality and Performance Committee imposes a suspension for thirty (30) days or longer, or recommends termination of the Provider/Supplier to the Board for quality or professional conduct reasons (each an "Adverse Recommendation"), the Quality and Performance Committee will notify the Provider/Supplier in writing of the Adverse Recommendation, the basis for the Adverse Recommendation, and of the appeals process, as follows:

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE: 4/20/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 6 of 12</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

- (a) Provider/Supplier will have thirty (30) days following receipt of notice of the Adverse Recommendation to submit a written appeal of an Adverse Recommendation to the Board, not to exceed 20 pages. The Provider/Supplier may engage an attorney or other representative to assist in preparing the written appeal.
- (b) Upon receipt of the written appeal, the Board will appoint an Advisory Review Panel (the composition of which will be determined by the Board), which must conduct its review of the written appeal within sixty (60) days of receipt of the Provider/Supplier's written appeal.
- (c) The Advisory Review Panel will review information provided by the Quality and Performance Committee and the Provider/Supplier's written appeal.
- (d) The Advisory Review Panel will prepare a written recommendation to the Board, with a copy to the Provider/Supplier.
- (e) The Board must consider, but is not bound by, the recommendation of the Advisory Review Panel.
- (f) The Board's determination following consideration of the Advisory Review Panel's recommendation is final.

5.3 The Participant with which the Provider/Supplier is affiliated is required to implement the Board's final determination regarding the Provider/Supplier. The Participant will be notified of termination of its Network Participation Agreement if the Board's final determination is to terminate a Provider/Supplier employed by or under contract with the Participant. The Participant may elect to terminate the Provider/Supplier's employment or other contractual engagement to avoid termination of the Network Participation Agreement on that basis.

## **6.0 Non-compliance with MSSP Requirements.**

- 6.1 Notwithstanding anything to the contrary in this Policy, in the event Covenant ACO, through its Peer Review process or otherwise, determines that a Provider/Supplier is not in compliance with the MSSP requirements or other program integrity issues, including those identified by CMS in accordance with 42 C.F.R. § 425.116, Covenant ACO will notify the Participant with which the Provider/Supplier is affiliated.
- 6.2 Covenant ACO may require the Participant to take remedial action against the Provider/Supplier (including a Remediation Plan, non-payment of incentives) or terminate the Provider/Supplier's employment or other contractual relationship with the Participant in accordance with the Participant's Network Provider Agreement with Covenant ACO.
- 6.3 There is no right to an appeal for actions taken by Participant or Covenant ACO based on non-compliance with MSSP requirements and other program integrity issues under

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE:</b> <b>PEER REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 7 of 12
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 340.01 - ACO	

the Network Participation Agreement. There is no right to an appeal due to termination of Providers/Supplier's employment or contractual engagement with Participant or termination of the Network Participation Agreement.

## **7.0 Reapplication.**

A Provider/Supplier that has been terminated by the Board based upon the Quality and Performance Committee's recommendation in accordance with this Policy may re-apply for participation one (1) year after the expiration of the Performance Period in which the termination occurred (or other date specified by the Board), to allow Covenant ACO the opportunity to review additional data to determine quality performance improvement for reinstatement of Covenant ACO participation. The Provider/Supplier must indicate interest in writing in accordance with the Credentialing Policy and will be subject to a quality and performance review by the Quality and Performance Committee and review by the Credentials Committee. The Credentials Committee will make its recommendation to the Board regarding approval of Provider/Supplier following the process for an application under the Credentialing Policy.

## **LIMITATION OF LIABILITY**

As a condition of seeking or continuing participation in Covenant ACO, Participants and Providers/Suppliers release Covenant ACO, CHS, and their respective directors, officers, employees, committee members and agents (collectively, the "Covenant ACO Parties") from any and all liability, and will indemnify and hold harmless the Covenant ACO Parties for, from, and against any actions taken or determinations made pursuant to this Policy.

## **CONFIDENTIALITY/SHARING OF PEER REVIEW INFORMATION**

The Quality and Performance Committee acts as a committee appointed by the Board under the Covenant ACO Bylaws, and thus, the review process and all records, proceedings, and communications of the Quality and Performance Committee are considered confidential and privileged and are protected by the Peer Review Laws.

Peer Review information may only be shared with the Board and other Covenant ACO committees, including employees, agents, or persons or organizations that serve the committees, engaged in the performance of Peer Review activities for Covenant ACO. Further, Peer Review information is and will be transferred between Covenant ACO's medical peer review committees (i.e., the Credentials Committee and the Quality and Performance Committee) and medical Peer Review committees of Other Entities in accordance with applicable Texas law. In addition to the foregoing, credentialing and Peer Review information may be shared by Covenant ACO with its affiliated entity, Covenant Health Partners ("CHP"), provided that the member also maintains privileges and/or membership with Covenant Health Partners, or has submitted an application seeking membership and/or privileges with CHP. This information may be shared among Covenant ACO and CHP at initial appointment or reappointment and at any other time during the individual member's appointment.

To ensure privilege is at all times maintained, all incident and occurrence reports, documents and records prepared for a Peer Review activity, including meeting minutes, agendas, etc., of the Quality and Performance Committee shall be:

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE: PEER REVIEW POLICY</b>	<b>ORIGINATION DATE: 4/20/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 8 of 12</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

1. Designated in a form substantially similar to the following: “PRIVILEGED AND CONFIDENTIAL; PEER REVIEW MATERIALS PURSUANT TO TEX. HEALTH & SAFETY CODE § 161.032 AND TEX. OCC. CODE § 160.007”;
2. Maintained securely and prohibited from disclosure at all times;
3. Distributed and collected by Covenant ACO at Quality and Performance Committee meetings to ensure no further use or disclosure; and
4. All Quality and Performance Committee members and the Board shall be informed that the Peer Review privilege can be waived by the conduct of the members, so great care should be taken to keep Peer Review information confidential.

All personnel and committee members involved in Peer Review activities will maintain confidentiality of all information reviewed as part of the Peer Review process and are obligated to prevent unauthorized disclosure of such information. Peer Review committee members will be required to sign a Confidentiality Statement.

Any disclosure of Peer Review information outside of the Quality and Performance Committee that is not permitted by this policy is strictly prohibited without the specific approval of legal counsel to Covenant ACO. Further, Covenant ACO or the Quality and Performance Committee will not seek to obtain any Peer Review information held by any of its Participants or Providers/Suppliers without the specific approval of legal counsel to Covenant ACO.



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE:</b> <b>PEER REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 9 of 12
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 340.01 - ACO	

**REFERENCES**

Tex. Health & Safety Code § 85.204, as amended  
Tex. Health & Safety Code § 161.032, as amended  
Tex. Occ. Code § 151.002, as amended  
Tex. Occ. Code § 160.007, as amended  
Tex. Occ. Code § 162.001 et seq., as amended  
22 Tex. Admin. Code § 177.1 et seq., as amended

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE:</b> <b>PEER REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 1 of 12
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 340.01 - ACO	

## **EXHIBIT A**

### **Peer Review Events**

1. Any breach of the Network Participation Agreement, Covenant ACO Bylaws, or Covenant ACO policies and procedures;
2. Complaints, grievances, ethical issues, or potential quality of care issues identified;
3. Identified adverse trends, such as failure to meet a majority of the performance metrics or consistent failure to meet minimum standards on one or more performance metrics or administrative metrics applicable to the Provider/Supplier;
4. Review required by any federal, state, or local regulation;
5. Inappropriate or disruptive behavior;
6. Focus or special review requested by the Board or another Covenant ACO committee;
7. Unexpected or adverse patient outcome;
8. Previous placement on a Remediation Plan (defined below) for quality-related issues;
9. Failure to satisfy quality or performance standards or expectations of Covenant ACO;
10. Noncompliance with Clinical Integration Program initiatives or goals.
11. Noncompliance with MSSP requirements or other program integrity issues.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE:</b> <b>PEER REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 1 of 12
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 340.01 - ACO	

## **EXHIBIT B**

### **Remediation Plan**

1. In the event that a Remediation Plan is required, the Provider/Supplier will be notified of this determination in writing.
2. The Covenant ACO Chief Medical Officer or other individual designated by the Board will meet with the Provider/Supplier to discuss a Remediation Plan within thirty (30) days or as otherwise permitted by the Chief Medical Officer (or other designated individual). If the Provider/Supplier cannot meet within the 30-day period, the Provider/Supplier must submit the reason for the inability to meet in writing to the Chief Medical Officer within three (3) days after initial notification and must identify dates that the Provider/Supplier is reasonably available to meet. The Chief Medical Officer will notify the Quality and Performance Committee of the Provider/Supplier's failure to meet within the 30-day period. The Provider/Supplier's failure to meet within thirty (30) days of the notice date (or as otherwise agreed by the Chief Medical Officer) may result in placement of the Provider/Supplier's participation status on probation, suspension, and/or termination, as determined by the Board.
3. The Chief Medical Officer will develop the Remediation Plan and submit the Remediation Plan to the Quality and Performance Committee for review.
  - a. If approved by the Quality and Performance Committee, the Remediation Plan shall be submitted to the Board for final approval. The period of the Remediation Plan shall begin on the date of the Board's final approval.
  - b. If denied by the Quality and Performance Committee, the Quality and Performance Committee will notify the Chief Medical Officer and Provider/Supplier of the reason for denial, and a revised version of the Remediation Plan must be submitted to the next Quality and Performance Committee meeting for approval.
4. The Remediation Plan may require periodic reporting or review by the Chief Medical Officer (or otherwise designated official).
5. The Quality and Performance Committee may determine that the Provider/Supplier has demonstrated sufficient quality and other improvement to be taken off the Remediation Plan and will provide its recommendation to the Board for approval.
6. The Quality and Performance Committee may also determine that the Provider/Supplier has not demonstrated sufficient improvement and may either recommend to the Board to: (i) extend the Remediation Plan period, (ii) take other action to correct the performance, conduct, or deficiency, or (ii) terminate Provider/Supplier's participation.
7. The Participant with which the Provider/Supplier may be notified of the Remediation Plan as necessary to implement the Remediation Plan and to promote compliance.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 340.02 - ACO</b>	
<b>TITLE:</b> <b>PEER REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 2 of 12
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 340.01 - ACO</b>	

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 350.01-ACO</b>	
<b>TITLE:</b> <b>UTILIZATION REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 12/14/2017	<b>PAGE:</b> Page 1 of 5
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

The purpose of this policy is to provide direction as to the process for utilization review of the medical services provided by the Participants and Provider/Suppliers in Covenant ACO, Inc. ("Covenant ACO"), and to the collection and dissemination of information regarding the quality, efficacy, appropriateness, safety and other variables related to patient care as consistent with Covenant ACO's clinical integration program and other purposes.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their participating Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates; Any third party that performs utilization review at the request of Covenant ACO.

## **POLICY**

Decisions regarding the provision of patient care, treatment, and services shall be based on the assessed needs of a patient under the direction of a Provider/Supplier. These decisions will be made based on independent professional judgment regardless of the recommendations or results of any internal or external review. The safety and quality of care, treatment, and services do not depend on the patient's ability to pay.

Utilization Review will be performed by or at the direction of Covenant ACO. Covenant ACO shall not use the Utilization Review process or the results of such review to interfere with, control, or otherwise direct a Physician or other Provider/Supplier's professional judgment in violation of state law.

Covenant ACO, Participants, Providers/Suppliers, and all other individuals and entities that fall within the scope of this Policy will follow the procedure for Utilization Review including to ensure that the Utilization Review and any information created pursuant to such review remains confidential and privileged at all times, in accordance with applicable federal and state peer review laws, including but not limited to, the Texas Medical Peer Review Committee Privilege set forth at Tex. Occ. Code § 160.007, as amended, and the Texas Medical Committee Privilege set forth at Tex. Health & Safety Code § 161.032, as amended (collectively, the "Peer Review Laws").

## **DEFINITIONS**

Quality and Performance Committee: A standing committee of Covenant ACO that operates under the Covenant ACO Bylaws and is authorized by the Covenant ACO Board of Directors (the "Board") to (i) evaluate the quality of medical and health care services and the competence of Providers/Suppliers, including the performance of those functions specific by Section 85.204 of the Texas Health and Safety Code, and (ii) engage in activities, such as utilization review, quality assurance/performance improvement review, and peer review, for the purpose of improving the quality and efficiency in the delivery of health care services. As such, the Quality and Performance Committee is a "medical peer review committee," as defined under the Texas Medical Practice Act.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 350.01-ACO</b>	
<b>TITLE:</b> <b>UTILIZATION REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 12/14/2017	<b>PAGE:</b> Page 2 of 5
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

Utilization Review: The review by Covenant ACO of governmental payor and private insurance claims submitted for health care services for medical necessity and appropriateness, except for claims submitted to the Texas workers' compensation system.

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURE**

### **1.0 Objectives**

- 1.1 The Covenant ACO Clinical Integration Program is intended to promote optimal sharing of patient-level clinical information among Covenant ACO's Provider/Suppliers to support high quality, cost effective and appropriate care to beneficiaries who are assigned and/or attributed to Covenant ACO and its affiliates.
- 1.2 All patients, regardless of type of insurance or source of payment, and services provided as part of Covenant ACO's clinical integration program are monitored for over-utilization, under-utilization, and inefficient use of resources in connection with Utilization Review.
- 1.3 Covenant ACO Providers/Suppliers are not required to refer to other Covenant ACO Participants or Provider/Suppliers, except when a payor arrangement defines the provider network. Participants and Providers/Suppliers understand referring to other Covenant ACO Providers/Suppliers will improve clinical integration and sharing of data. Patient choice, payor arrangement requirements, and referring provider professional medical judgment will be respected at all times.
- 1.4 The primary objectives of Utilization Review are the following:
  - (a) Assure Care at a Level Appropriate to Patient Needs. Utilization Review monitors the level of care on an ongoing basis to ensure that Covered Persons receive care appropriate for their needs.
  - (b) Provide Professional Accountability. Utilization Review provides professional accountability for the utilization of health care resources to the patient and the person or organization paying for his/her care. Utilization Review addresses issues of quality and cost controls to ensure the quality patient care is delivered at the lowest cost.
  - (c) Educate the Providers/Suppliers and Other Health Care Professionals. The ongoing Utilization Review activity and the identification of problem areas provide continuous education on quality of care and utilization issues.

### **2.0 Components of the Utilization Review and Utilization Trend Programs**

- 2.1 The Board may delegate responsibilities hereunder to the Quality and Performance Committee or such other committee, as may be designated from time to time by the Board.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 350.01-ACO</b>	
<b>TITLE:</b> <b>UTILIZATION REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 12/14/2017	<b>PAGE:</b> Page 3 of 5
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## 2.2 Utilization Review Program.

- (a) Responsibilities. The Board or Quality and Performance Committee, if applicable, has the responsibility to:
  - (i) Implement procedures for reviewing all stages of care, including but not limited to, medical necessity for service(s), over- and under-utilization of services, delays in services, quality of care indicators, and adequacy of medical record documentation.
  - (ii) Report review findings and recommendations to the appropriate persons or entities.
  - (iii) Review third-party payor denials, make recommendations and/or take appropriate actions.
  - (iv) Collect and analyze data.
  - (v) Analyze issues, problems, or individual cases identified through Utilization Review activities, make recommendations for resolution and/or refer to appropriate entities for resolution.
- (b) Utilization Review Activities.
  - (i) Stages of care review – Prospective; Concurrent; Retrospective.
  - (ii) Case management/Post-care planning review.
  - (iii) Non-physician personnel utilization screenings.
- (c) Focused review of known or suspected specific issues. Other Covenant ACO committees may, as appropriate, refer issues to the Quality and Performance Committee in order for the Quality and Performance Committee to conduct its review of the appropriateness and medical necessity of the clinical services, support services, and post-care planning.

2.3 Discipline. The Quality and Performance Committee is not a disciplinary committee, and will refer any problems with a Provider/Supplier to the Board or applicable committee.

2.4 Evaluation of Utilization Review. The Board or the Quality and Performance Committee, if applicable, will review, update or modify the Utilization Review Plan as necessary, based on the ongoing evaluation of the Utilization Review activities and their relationship to quality of care.

## 3.0 Records

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 350.01-ACO</b>	
<b>TITLE:</b> <b>UTILIZATION REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 12/14/2017	<b>PAGE:</b> Page 4 of 5
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- 3.1 Confidentiality. The proceedings of the Board or the Quality and Performance Committee, and the derivative documents and minutes related to Utilization Review are confidential and protected from discoverability pursuant to the Peer Review Laws, as described in this Policy. Persons serving on the Board and Quality and Performance Committee have a duty to preserve this confidentiality, and are required to sign a Confidentiality Statement agreeing to maintain such confidentiality in accordance with applicable policies and procedures.
- 3.2 Content. The Board or Quality and Performance Committee, as appropriate, will maintain written records of all its activities pursuant to this Policy. Minutes of each meeting shall be documented and will include:
- (a) Date and duration of each meeting.
  - (b) Names of the committee members present and absent.
  - (c) A summary of review individual patient cases discussed (identified by medical record number).
  - (d) Focused reviews, including subject studied, the reason for the study, the date the study was started, the date the study was completed, as well as the follow up recommendations made from the previous studies that have been implemented.
  - (e) Recommendations/actions taken.

### **LIMITATION OF LIABILITY**

As a condition of seeking or continuing participation in Covenant ACO, Participants and Providers/Suppliers release Covenant ACO, CHS, and their respective directors, officers, employees, committee members and agents (collectively, the "Covenant ACO Parties") from any and all liability, and will indemnify and hold harmless Covenant ACO Parties for, from, and against any actions taken or determinations made pursuant to this Policy.

### **CONFIDENTIALITY/SHARING OF PEER REVIEW INFORMATION**

The Quality and Performance Committee acts as a committee appointed by the Board under the Covenant ACO Bylaws, and thus, the review process and all records, proceedings, and communications of the Quality and Performance Committee are considered confidential and privileged and are protected by the Peer Review Laws. As a condition of seeking or continuing participation in Covenant ACO, Applicants consent to the use or disclosure of information as described in this Policy.

Utilization review information may only be shared with the Board and other Covenant ACO committees, including employees, agents, or persons or organizations that serve the committees (including third-parties that perform utilization review activities on behalf of Covenant ACO), engaged in the performance of utilization review activities for Covenant ACO. Further, utilization review



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 350.01-ACO</b>	
<b>TITLE:</b> <b>UTILIZATION REVIEW POLICY</b>	<b>ORIGINATION DATE:</b> 4/20/2017 <b>REVIEW // REVISION DATE(S):</b> 12/14/2017	<b>PAGE:</b> Page 5 of 5
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

information is and will be transferred between Covenant ACO's medical peer review committees (i.e., the Credentials Committee and the Quality and Performance Committee) and medical peer review committees of other health care entities in accordance with applicable Texas law.

To ensure privilege is at all times maintained, all incident and occurrence reports, documents and records prepared for a peer review activity, including meeting minutes, agendas, etc., of the Quality and Performance Committee must be:

1. Designated in a form substantially similar to the following: "PRIVILEGED AND CONFIDENTIAL; PEER REVIEW MATERIALS PURSUANT TO TEX. HEALTH & SAFETY CODE § 161.032 AND TEX. OCC. CODE § 160.007";
2. Maintained securely and prohibited from disclosure at all times;
3. Distributed and collected at Quality and Performance Committee meetings to ensure no further use or disclosure; and

All Quality and Performance Committee members and the Board will be informed that the peer review privilege can be waived by the conduct of the members, so great care should be taken to keep peer review information confidential.

Any disclosure of peer review information outside of the Quality and Performance Committee that is not permitted by this policy is strictly prohibited without the specific approval of legal counsel to Covenant ACO.

## **REFERENCES**

Tex. Health & Safety Code § 161.032, as amended  
Tex. Health & Safety Code § 181.001 et seq.  
Tex. Occ. Code § 151.002, as amended  
Tex. Occ. Code § 160.007, as amended  
Tex. Occ. Code § 162.001 et seq., as amended  
22 Tex. Admin. Code § 177.1 et seq.  
28 Tex. Admin. Code § 19.1701 et seq.

<b>Covenant ACO, Inc. Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 400.02 - ACO</b>	
<b>TITLE: PAC STANDARDS POLICY</b>	<b>ORIGINATION DATE: 2/16/2017 REVIEW // REVISION DATE(S): 4/19/18</b>	<b>PAGE: Page 1 of 3</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: N/A</b>	

## **PURPOSE**

This Policy establishes participation standards for post-acute care providers (each a "PAC Affiliate") that enter into a Post-Acute Provider Care Affiliate Agreement ("PAC Affiliate Agreement") with Covenant Health Partners, Inc. ("CHP"), and Covenant ACO, Inc. ("Covenant ACO"). Covenant ACO and CHP may be referred to collectively as "Networks" and individually as "Network."

## **SCOPE**

PAC Affiliate, Covenant ACO, CHP, and their respective employees, Providers/Suppliers, Participants, agents, contractors, affiliates, directors, officers, and committee members.

## **POLICY**

As a material condition of the PAC Affiliate Agreement, PAC Affiliate must at all times meet the standards and criteria applicable to the PAC Affiliate during the term of the PAC Affiliate Agreement. Failure to comply with this Policy may result in termination of the applicable PAC Affiliate Agreement under Article VI of the PAC Affiliate Agreement.

## **PROCEDURE**

### **1.0 PAC Performance Standards.**

PAC Affiliates must satisfy at all times during the term of the PAC Affiliate Agreement the PAC Performance Standards described on Exhibit A.

### **2.0 Notification Obligation.**

Each PAC Affiliate must notify Networks in writing within three (3) days in writing of any conduct or event that is not consistent with this Policy.

### **3.0 Termination of PAC Affiliate Agreement.**

Noncompliance with this Policy may result in suspension, termination, or other action taken under the PAC Affiliate Agreement. Termination will be pursuant to and with the effects and continuing obligations stated in the PAC Affiliate Agreement.

### **4.0 Amendment of Policy.**

This Policy (including the PAC Performance Standards) may be amended from time to time by Networks without separate action by PAC Affiliate. The amendment will be effective fifteen (15) days after the amended policy is provided in writing to PAC Affiliate.

<b>Covenant ACO, Inc. Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 400.02 - ACO</b>	
<b>TITLE: PAC STANDARDS POLICY</b>	<b>ORIGINATION DATE: 2/16/2017 REVIEW // REVISION DATE(S): 4/19/18</b>	<b>PAGE: Page 2 of 3</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: N/A</b>	

## EXHIBIT A

### PAC PERFORMANCE STANDARDS

PAC Affiliate will:

1. Implement appropriate policies, procedures, and practices to achieve the performance standards established by the Networks from time to time, including those relating to quality, readmission, patient satisfaction, length-of-stay, cost efficiency, and utilization set forth in the Scorecards.
2. Coordinate and cooperate with outpatient pharmacies in a collaborative manner to decrease drug costs.
3. Collaborate and communicate with the Networks as to the designation of the medical director for PAC Affiliate.
4. Participate in the St. Joseph Health Information Exchange (or other information exchange designated by the Networks).
5. Integrate and adopt electronic technologies designated by Networks to perform care coordination and transition services with Participants, Provider/Suppliers, and Other Entities.
6. Evaluate and consider individual and mutually agreeable contracts for rehabilitation and continuum of care services with Covenant Medical Center, TrustPoint, Covenant Specialty Hospital, Covenant Children's Hospital, Covenant Hospital Plainview, and Covenant Hospital Levelland for specific underinsured/uninsured patients as the need may arise pursuant to PAC Affiliate's policies for charity, underinsured, or uninsured policies.
7. Review and evaluate participation in Clinical Integration Agreements and/or Payor arrangements (bundled payment, shared savings, etc.) designated by the Networks, on terms specified by the Networks where doing so would not conflict with PAC Affiliate's existing payor or other agreements.
8. Accept appropriate discharges from Covenant Health System facilities on a twenty-four hours per day, seven days per week basis.
9. Manage all patients within the PAC Affiliate in accordance with Network policies, procedures, standards, and requirements for the patient's assessed condition, treatment plan, and level of illness, consistent with the PAC Affiliate's license and other qualifications.
10. Maintain quality star rating of at least three or above, as monitored and assessed by the Centers for Medicare and Medicaid Services.

<b>Covenant ACO, Inc. Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 400.02 - ACO</b>	
<b>TITLE: PAC STANDARDS POLICY</b>	<b>ORIGINATION DATE: 2/16/2017</b> <b>REVIEW // REVISION DATE(S): 4/19/18</b>	<b>PAGE: Page 3 of 3</b>
<b>APPROVED BY: Covenant ACO Board of Directors</b>	<b>P&amp;P REPLACED [Number]: N/A</b>	

11. Coordinate with Networks to ensure that each PAC Affiliate attending physician at PAC Affiliate is a Provider/Supplier in each Network, pursuant to an effective Network Participation Agreement with each Network.

12. If the PAC Affiliate is a skilled nursing facility, ensure that appropriate staffing of registered nurse staffing is available on a twenty-four hours per day, seven days per week basis.

13. PAC Affiliates will cooperate with Covenant ACO and CHP initiatives, including but not limited to clinical pharmacy initiatives and wound care initiatives, to improve the quality and cost of care.

<b>Covenant ACO, Inc. and Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 500.02 – ACO CHP</b>	
<b>TITLE: SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	<b>ORIGINATION DATE: 12/14/2017</b>	<b>PAGE: Page 1 of 8</b>
<b>APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors</b>	<b>REVIEW // REVISION DATE(S): 1/18/2018</b>	
	<b>P&amp;P REPLACED [Number]: 500.01 – ACO CHP</b>	

## **PURPOSE**

To define policies and procedures governing the funding and use of a “Single Incentive Fund” and an associated “Distribution Policy” administered by Covenant Health Partners (CHP) involving an integrated, consistent, uniformly applied structure governing the use and distribution of payments received and/or obligations incurred based on the performance of Covenant ACO and Covenant Health Partners, Inc. (the “Networks”) under Clinical Integration Agreements and other initiatives.

## **POLICY**

This policy outlines the manner in which the Networks establish and fund the Single Incentive Fund, and how they determine and distribute Performance Payments to Qualifying Providers.

## **SCOPE**

The Networks’ employees, agents, contractors, affiliates, directors, officers, and committee members;

All Participants and their participating Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **DEFINITIONS**

**Administrative Metrics.** Specific administrative and other activities required to be undertaken by Physicians to promote the Networks’ clinical integration programs. The Board will approve and adopt a slate of Administrative Metrics to apply during each Performance Period. Individual Administrative Metrics will vary in number and amount of time needed to fulfill the metric. Some Administrative Metrics require monthly attention while others depend on attendance to educational event and/or meetings lasting anywhere from 1 to 4 hours. All Administrative Metrics must be complete by end of day on the last day of the Performance Period. Physicians and APPs must fully meet the Administrative Metrics to qualify as a “Qualifying Provider”.

**Clinical Integration Agreements.** The contract(s) between a Network and one or more Payors entered into by a Network pursuant to which the Network, Participants, and Provider/Suppliers agree to work together to manage and coordinate the care of designated Covered Persons who are assigned to the Network or under the other activities specified in an applicable Clinical Integration Agreement. Under the terms of the Clinical Integration Agreements, the Network, its Participants and Provider/Suppliers, will be eligible to participate in pay-for-performance, shared savings, at-risk and similar arrangements that may result in Performance Payments in addition to fee-for-service reimbursement. Clinical Integration Agreements may be in the form of separate contracts with Payors, or they may be coupled with Payor Agreements governing fee-for-service reimbursement.

<b>Covenant ACO, Inc. and Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 500.02 – ACO CHP</b>	
<b>TITLE: SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	<b>ORIGINATION DATE: 12/14/2017 REVIEW // REVISION DATE(S): 1/18/2018</b>	<b>PAGE: Page 2 of 8</b>
<b>APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 500.01 – ACO CHP</b>	

Performance Payments. Amounts earned and available to be distributed to Qualifying Providers in accordance with this Policy.

Individual Performance Pool (IPP). That portion of the Single Incentive Fund Distribution Pool which will be allocated based on each Qualified Provider’s individual performance. One or more IPPs may be administered to align with value-based initiatives or other variables (e.g., a Hospital Efficiency IPP and/or a Shared Savings IPP).

Group Performance Pool (GPP). That portion of the Single Incentive Fund Distribution Pool which will be allocated evenly among all Qualified Providers who are Physicians.

Performance Metric. The individual quality or other performance requirements defined in one or more Clinical Integration Agreements.

Performance Period. Typically a 12-month period beginning on January 1 of each year, unless designated otherwise.

Qualifying Providers. A Physician or APP who is eligible to receive a Performance Payment pursuant to this Policy and who also meets the following conditions: (a) is participating in good standing as a Provider/Supplier through a Network Participation Agreement with Covenant ACO or Covenant Health Partners, Inc.; provided that a Physician who has resigned participation due to departure from the community for the verified purpose of attending an approved subspecialty fellowship (defined as a subspecialty fellowship that is accredited by the American Board of Medical Specialists or by an American Osteopathic Association specialty certifying board) will be deemed to be in good standing as a Qualifying Provider at the time of distribution; and (b) has fully complied with all Administrative Metrics during an applicable Performance Period.

Share. The portion of a Group Performance Pool (“GPP”) that is available for distribution to a Qualifying Provider in the form of a Performance Payment as approved by the Board of Directors.

Single Incentive Fund Distribution Pool. The total amount of money available for distribution to Qualified Providers in form of Performance Payments under this Policy based on performance during an applicable Performance Period as approved by the Board of Directors.

Capitalized terms not otherwise defined will have the meaning set forth in the Covenant ACO and CHP Definitions Policies. If conflict between the Definitions Policies, the CHP Definitions Policy will govern.

## **PROCEDURE**

### **1.0 Overview**

- 1.1 This policy describes the process by which the Networks will (a) aggregate funds earned from Clinical Integration Agreements, (b) allocate and share financial

<b>Covenant ACO, Inc. and Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 500.02 – ACO CHP</b>	
<b>TITLE: SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	<b>ORIGINATION DATE: 12/14/2017</b>	<b>PAGE: Page 3 of 8</b>
<b>APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors</b>	<b>REVIEW // REVISION DATE(S): 1/18/2018</b>	
	<b>P&amp;P REPLACED [Number]: 500.01 – ACO CHP</b>	

benefits or losses from such agreements with Covenant Medical Center through the “Full Risk Results Pool,” (c) allocate funds to the payment of operating costs, other financial obligations and to establish financial reserves through the “Single Incentive Fund”, and (d) develop and administer a consistent, uniformly applied performance incentive system that will be used with the Networks Participants and their providers through a single “Distribution Policy”. The Networks intend that the use of consistent policies and practices through this Single Incentive Fund and Distribution Policy will promote consistent clinical practices and uniform financial goals and incentives to participants in both Networks as consistent with value-based care.

- 1.2 All references to Board of Directors and committees in this Policy shall refer to the CHP as the administrator of the Single Incentive Fund and Distribution Policy.

## **2.0 Full Risk Results Pool**

- 2.1 For so long as either Network participates in the Medicare Shared Savings Program (“MSSP”) or similar alternative payment model program, including those involving financial risk, any payments (or losses) from such participation shall be allocated to a Full Risk Results Pool.
  - (a) From the amount of payments allocated to the Full Risk Results Pool, the appropriate agreed upon Risk Share Percent shall be allocated and distributed to the entity agreeing to participate in the Full Risk Results Pool (“Contracted Entity”), with the remaining amount retained by the Networks for bona fide purposes and for allocation to the Single Incentive Fund.
  - (b) From the amount of any losses allocated to the Full Risk Results Pool, the Risk Share Percent shall be allocated to and borne by the Contracted Entity, with the remaining portion allocated to and borne by the Networks. The Networks will be responsible for satisfying such losses in accordance with separate arrangements, including through depletion of financial reserves or other arrangements.
- 2.2 From the amount remaining in the Full Risk Results Pool net of the Risk Share Percent, if any, the Board of Directors and management will determine the amount to be allocated to pay overhead and operating expenses as well as the amount for retention as reserves and for other bona fide purposes.
- 2.3 CHP and Contracted Entity will annually review the Risk Share Percent; provided that in the absence of separate approval, the Risk Share Percent amount will be 32%.

Covenant ACO, Inc. and Covenant Health Partners, Inc.	POLICY & PROCEDURE # 500.02 – ACO CHP	
TITLE: <b>SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	ORIGINATION DATE: 12/14/2017 REVIEW // REVISION DATE(S): 1/18/2018	PAGE: Page 4 of 8
APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors	P&P REPLACED [Number]: 500.01 – ACO CHP	

- 2.4 Amounts not retained as provided above will be allocated to the Single Incentive Fund and administered in accordance with this Policy.

### 3.0 Single Incentive Fund

- 3.1 The Single Incentive Fund will constitute a pool of funds generated through the Networks' combined performance on clinical integration arrangements and following allocations made from the Full Risk Results Pool. The Single Incentive Fund is intended to serve as an integrated, consistent, uniformly applied incentive structure governing the use and distribution of payments and/or obligations received based on the Networks performance under Clinical Integration Agreements and other initiatives. The Single Incentive Fund will be administered in a consistent manner to address the Networks' financial obligations and reserves, and using a uniform distribution system to distribute Performance Payments to Qualified Providers.
- 3.2 25% of funds allocated to the Single Incentive Fund during each Performance Year will be allocated to Covenant Health System to repay annual development costs. If no funds are allocated to the Single Incentive Fund, no funds will be allocated to Covenant Health System.
- 3.3 Funds remaining in the Single Incentive Fund net of allocations to Covenant Health System will be allocated as follows:
- (a) A portion (0-100%), as determined by the Board of Directors, will be allocated to reserves for potential future losses and/or operating expenses and other bona fide purposes.
  - (b) The remaining portion will constitute the Single Incentive Fund Distribution Pool, with amounts therein subject to use and/or distribution in accordance with the Distribution Policy described in Section 4.0 below.

### 4.0 Distribution Policy

- 4.1 **Funds Available for Distribution.** Funds in the Single Incentive Fund Distribution Pool will be available for distribution as Performance Payments to Qualifying Providers either directly or through the Participant TIN to which a Qualifying Provider is assigned, in accordance with this Policy.
- 4.2 **Conditions for Qualifying Provider.** A Provider must meet the following conditions to be eligible to receive distribution of a Performance Payment:
- (a) Only individuals who are Qualifying Providers on the date the Performance Payments are made are eligible for Performance Payment distributions. To be a Qualifying Provider the Provider must be



Covenant ACO, Inc. and Covenant Health Partners, Inc.	POLICY & PROCEDURE # 500.02 – ACO CHP	
TITLE: <b>SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	ORIGINATION DATE: 12/14/2017 REVIEW // REVISION DATE(S): 1/18/2018	PAGE: Page 5 of 8
APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors	P&P REPLACED [Number]: 500.01 – ACO CHP	

participating in good standing of one or both Networks and have fully complied with all Administrative Metrics during an applicable Performance Period.

- (b) In the event a Provider’s employment or engagement with a Participant terminates for any reason during the Performance Period, the Provider will not be eligible for any portion of a Performance Payment for that Performance Period. In the event the Performance Payment is to be distributed to a Participant TIN and not directly to the Provider, the Provider’s Performance Payment will be forfeited for that Performance Period.

4.3 **Single Incentive Fund Distribution Pool.** The aggregate funds allocated to the Single Incentive Fund Distribution Pool will be subdivided into: (a) an Individual Performance Pool (IPP), and (b) a GPP. The Quality and Performance Committee (Committee) is responsible for reviewing, defining and recommending the percentage of the Single Incentive Fund Distribution Pool allocated to the IPP and GPP (e.g., 60/40%, 70/30%) prior to each Performance Period subject to final approval by the Board of Directors.

- (a) **Individual Performance Pool (IPP).** The IPP is intended to directly reward Qualifying Providers whose work and other effort most directly impacts a specific Performance Metric each Performance Period.
  - (i) **Hospital Efficiency IPP Specialty Alignment.** The Committee, in consultation with the Networks’ Chief Medical Officer, identifies the Provider specialties for alignment with the Hospital Efficiency IPP that it deems to have the greatest potential influence/control over performance on one or more Clinical Integration Agreement measures prior to each Performance Year. The alignment is based on the Committee’s clinical judgment of responsibility, and consideration of other specialties’ contributions to performance. The Committee’s recommendation for annual determination on Specialty Alignment is final when approved by the Board of Directors.
  - (ii) **Shared Savings IPP Distribution.** The amount distributed to Qualifying Providers who are Primary Care Physicians from the Shared Savings IPP will be based on an attribution of Covered Persons under care of the Primary Care Physician who is a Qualifying Provider using the Network’s attribution methodology and listed on the Physician Dashboard, which amount may be further adjusted through the application of quality or other performance variables (e.g., scaling mechanisms) recommended

<b>Covenant ACO, Inc. and Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 500.02 – ACO CHP</b>	
<b>TITLE: SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 6 of 8
<b>APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 500.01 – ACO CHP</b>	

by the Quality Committee and approved by the Board. Any quality or performance variable adjustments will be retained in reserves.

- (b) **Group Performance Pool (GPP).** The percentage of the Single Incentive Fund Distribution Pool remaining after allocation to the IPP is available for distribution to Qualifying Providers through the GPP.
- (i) Specialty Alignment. GPP Incentive Payments are designed to recognize that Qualifying Providers' impact individual Performance Metrics through their engagement in the Networks Clinical Integration Agreements. As such, GPP Performance Payments are designed to encourage a high level of provider participation in the Networks' Clinical Integration Program activities, and to also encourage targeted activities and performance in specific areas by Provider specialties recommended by the Quality Committee and approved by the Board of Directors. Some Provider specialties will be eligible to receive Performance Payments solely from the GPP.
- (ii) Distribution. The maximum Share available for payment to each Qualifying Provider from the GPP will equal (a) the funds allocated to the GPP, divided by (b) the number of Providers aligned with the GPP. For example, if the GPP has \$100,000 of available funds and 200 physicians are assigned to the GPP, a Share would equal \$500. The maximum Share available to a Qualifying Provider may be further adjusted through the application of any quality or other performance variables (e.g., scaling mechanisms) recommended by the Quality Committee and approved by the Board of Directors.

#### 4.4 **Total Performance Payments and Adjustments**

- (a) Payment Mechanism. Subject to fair market value and commercial reasonableness limitations, amounts earned as Performance Payments will be paid directly to the Qualifying Provider or to the Participant TIN with which Qualifying Provider is affiliated, as determined in advance by the Board of Directors. Where Performance Payments are made to the Participant TIN, the Participant is required by this policy and the Network Participation Agreement to distribute the Performance Payments (which Performance Payments may be subject to a reasonable deduction by Participant to pay overhead costs) to the Qualifying Provider whose performance gave rise to the earning of such payment; provided that individual payments may be further limited by the Participant as needed to promote compliance with applicable law.

<b>Covenant ACO, Inc. and Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 500.02 – ACO CHP</b>	
<b>TITLE: SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 7 of 8
<b>APPROVED BY: Covenant ACO and Covenant Health Partners Board of Directors</b>	<b>P&amp;P REPLACED [Number]: 500.01 – ACO CHP</b>	

- (b) Aggregate Performance Payments. The total Performance Payment, if any, earned by a Qualifying Provider equals the sum, if any, earned from the IPP and the GPP distribution pools during the applicable Performance Period.
- (c) Partial Distributions. Performance Payments for Qualifying Providers who join a Network during a Performance Period for a minimum of one half of the Performance Period (greater than 6 months) will receive 50% of the distribution. For example, if a Provider joins Covenant ACO and becomes a Qualifying Provider 90 days after the beginning of a Performance Period, the Provider would be eligible for 50% of the IPP and GPP Performance Payments otherwise earned.
- (d) Adjustment of Performance Payments. Qualifying Providers are not eligible for Performance Payments from either the IPP or GPP distribution pools for the following reasons: (i) failure to comply with applicable Network policies, procedures, and the terms of the individual Network Participation Agreement, (ii) failure to comply with Administrative Metrics, or (iii) participation is less than 50% of the Performance Period.
- (e) Quality Adjustment. Aggregate Performance Payments that are otherwise available for distribution to a Qualifying Provider may be further reduced based individual Qualifying Provider performance on quality measures, with amounts not distributed to constitute Unearned Portions and will be retained for reserves.
- (f) Unearned Portions of Performance Payments. Portions of any IPP and GPP distribution pools that are not earned by Qualifying Providers in a Performance Period due to failure to qualify or due to pro-rated distributions will be retained to fund operations of the Networks. Portions of any IPP and GPP distribution pools that result from Quality Adjustments will be retained for reserves.
- (g) Determinations regarding whether a Physician or APP is a Qualifying Physician (including whether the Physician or APP met required Administrative Metrics during an applicable Performance Period) are not subject to appeal or review by Network committees, Boards or administrative leadership except for calculations related to Performance Payments.

#### 4.5 Compliance

Performance Payments will be evaluated to assess compliance risk, valuation and other requirements to promote compliance with applicable health care fraud and abuse, tax-exempt organization and other laws.

<b>Covenant ACO, Inc. and Covenant Health Partners, Inc.</b>	<b>POLICY &amp; PROCEDURE # 500.02 – ACO CHP</b>	
<b>TITLE: SINGLE INCENTIVE FUND AND DISTRIBUTION POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b> 1/18/2018	<b>PAGE:</b> Page 8 of 8
<b>APPROVED BY:</b> Covenant ACO and Covenant Health Partners Board of Directors	<b>P&amp;P REPLACED [Number]:</b> 500.01 – ACO CHP	

When external/third party valuations are required as determined by the CHP Network's Board in consultation with Network administration and legal counsel, CHP will generally obtain a valuation at the outset of the Performance Period that assesses the maximum compensation expected to be available based on full performance. Separate and/or additional external valuations may also be required under various circumstances, including in the event that the maximum compensation cannot be determined in advance, due to significant change in the number of Qualifying providers who are eligible to receive Performance Payments or in other circumstances.

In the event a proposed amount of a Performance Payment cannot be supported by an external valuation as meeting fair market value requirements, then the amount of Performance Payment actually made will be adjusted, and the Qualified Provider will only receive an amount that can be supported by the external valuation.

Performance Payments must be approved by the Covenant Health System Conflicts & Compensation Committee before payments are made.

**REFERENCES**

- 42 C.F.R. § 425.104(a)(1-2)
- 42 C.F.R. § 425.204(d)

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 600.01 - ACO</b>	
<b>TITLE:</b> <b>MARKETING MATERIALS AND ACTIVITIES POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 2
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **POLICY**

This Policy establishes guidelines and procedures regarding the restrictions on the use of marketing materials and activities of Participants of Covenant ACO, Inc. ("Covenant ACO"). This Policy is for purposes of compliance with regulations governing the MSSP relating to Marketing Materials and Activities. Such Marketing Materials and Activities (as defined below) shall only be distributed and/or used in accordance with this policy and the MSSP.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; all Participants and their Provider/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **DEFINITIONS**

Marketing Materials and Activities. As defined in applicable regulations governing the MSSP, "Marketing Materials and Activities" are defined to include, but are not limited to, general audience materials such as brochures, advertisements, outreach events, letters to beneficiaries, web pages, data sharing opt out letters, mailings, social media, or other activities conducted by or on behalf of Covenant ACO, or by Participants, or Providers/Suppliers participating in Covenant ACO, when used to educate, solicit, notify, or contact Medicare beneficiaries or providers and suppliers regarding the MSSP. The following beneficiary communications are not Marketing Materials and Activities: certain informational materials customized or limited to a subset of beneficiaries; materials that do not include information about Covenant ACO, its Participants, or its Providers/Suppliers; materials that cover beneficiary-specific billing and claims issues or other specific individual health related issues; educational information on specific medical conditions (for example, flu shot reminders), written referrals for health care items and services, and materials or activities that do not constitute "marketing" under 45 C.F.R. §§ 164.501 and 164.508(a)(3)(i).

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURES**

1. Marketing Not Limited by MSSP Marketing Requirements. Marketing materials that have been determined by Covenant ACO to not involve Marketing Materials and Activities under this Policy may be disseminated without seeking approval from CMS.
2. Requirements Requiring Submission of Marketing Materials and Activities Under MSSP. MSSP regulations require that Marketing Materials and Activities must be submitted to CMS for review prior to their use by Covenant ACO and/or its Participants/Providers/Suppliers. Only Covenant ACO administration and/or other authorized persons may submit Marketing Materials and Activities to CMS, and Covenant ACO Participants or Provider/Suppliers may not separately submit such materials to CMS.
3. CMS Approval and Use Requirements. In order to be approved by CMS and used by Covenant ACO, its Participants and Provider/Suppliers, any Marketing Materials and

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 600.01 - ACO</b>	
<b>TITLE:</b> <b>MARKETING MATERIALS AND ACTIVITIES POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 2
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

Activities used by Covenant ACO and/or its Participants, Providers/Suppliers, or other individuals or entities performing functions or services related to ACO activities must meet all of the following:

- 3.1 Use template language developed by CMS, if available (which template language may not be modified or changed in any manner).
- 3.2 Not be used in a discriminatory manner or for discriminatory purposes.
- 3.3 Comply with 42. C.F.R. § 425.304 (a) regarding beneficiary inducements (See Restrictions on Beneficiary Inducements Policy).
- 3.4 Not be materially inaccurate or misleading.
4. File and Use. Marketing Materials and Activities may be used or conducted five business days following their submission by Covenant ACO to CMS if:
  - 4.1 Covenant ACO certifies to CMS that such Marketing Materials and Activities are in compliance with all the marketing requirements under 42 C.F.R. § 425.310 (the requirements of which are contained in this policy); and
  - 4.2 CMS does not disapprove the MSSP Marketing Materials or Activities.
5. Deemed Approval and Disapproval by CMS.
  - 5.1 Marketing Materials and Activities are deemed approved by CMS after expiration of the initial five business day review period, unless Covenant ACO has received notice of disapproval.
  - 5.2 CMS may issue written notice of disapproval of Marketing Materials and Activities at any time, including after the expiration of the initial five business day review period.
  - 5.3 Upon receipt of written notice of disapproval from CMS, Covenant ACO, Participant, Providers/Supplier, or other individual or entity performing functions or services related to ACO activities as applicable, must immediately discontinue the further use of any marketing materials or activities disapproved by CMS.
6. Permitted Use of Marketing Materials and Activities. Marketing Materials and Activities that are defined as such by Covenant ACO or CMS must be disseminated and used in accordance with this policy. Questions regarding Marketing Materials and Activities, including questions related to whether materials are defined as Marketing Materials and Activities, or with regard to the dissemination, use, modification or any other matter, should be directed to Covenant ACO administration prior to the use of such materials or implementation of such activities.

## REFERENCES

**42 C.F.R. § 425.310**

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 700.01 - ACO</b>	
<b>TITLE:</b> <b>DATA SUBMISSION AND CERTIFICATIONS POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 2
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **PURPOSE**

This policy promotes compliance of Covenant ACO, Inc. ("Covenant ACO"), with regulations issued by CMS for purposes of the MSSP related to compliance with the data submission obligations and certification requirements.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their participating Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **DEFINITIONS**

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURES**

Covenant ACO, its Participants, its Providers/Suppliers or Other Entities performing functions or services related to ACO activities must submit all data and information to Covenant ACO, including data on measures designated by CMS under 42 C.F.R. § 425.500, in a form and manner specified by CMS.

With respect to data and information that are generated or submitted by Covenant ACO, Participants, Providers/Suppliers, or other individuals or entities performing functions or services related to ACO activities, an individual with the authority to legally bind the individual or entity submitting such data or information must certify the accuracy, completeness, and truthfulness of the data and information to the best of his or her knowledge information and belief.

At the end of each performance year, an individual with the legal authority to bind Covenant ACO must certify to the best of his or her knowledge, information, and belief—

- 1.0** That Covenant ACO, its Participants, its Providers/Suppliers, and other individuals or entities performing functions or services related to ACO activities are in compliance with program requirements; and
- 2.0** The accuracy, completeness, and truthfulness of all data and information that are generated or submitted by Covenant ACO, Participants, Providers/Suppliers, or other individuals or entities performing functions or services related to ACO activities, including any quality data or other information or data relied upon by CMS in determining Covenant ACO's eligibility for, and the amount of a shared savings payment or the amount of shared losses or other monies owed to CMS.

Persons with questions regarding the accuracy, completeness and truthfulness of data or information that is generated or submitted by Covenant ACO, Participant, Provider/Suppliers or other individuals or entities performing functions or services related to Covenant ACO activities, or that would otherwise call into question the appropriateness of Covenant ACO's ability to make the

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 700.01 - ACO</b>	
<b>TITLE:</b> <b>DATA SUBMISSION AND CERTIFICATIONS POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 2
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

certification to CMS described above are required to notify Covenant ACO administration of such questions or other matters.

**REFERENCES**

**42 C.F.R. § 425.302**



<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 800.01 - ACO</b>	
<b>TITLE:</b> <b>Non-Avoidance of At-Risk Beneficiaries</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 2
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **POLICY**

It is the policy of Covenant ACO, Inc. ("Covenant ACO") to comply with regulations issued by the CMS related to participation in the MSSP, including those regulations related to prohibitions on avoiding at-risk beneficiaries.

## **PURPOSE**

The purpose of this Policy is to outline the prohibitions on avoiding at-risk beneficiaries by the ACO and/or its Participants, Providers/Suppliers, or other individuals or entities performing functions or services related to ACO activities in compliance with the MSSP regulations.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their Providers/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **DEFINITIONS**

**At-Risk Beneficiary.** A beneficiary who:

1. Has a high risk score on the CMS-HCC risk adjustment model;
2. Is considered high cost due to having two or more hospitalizations or emergency room visits each year;
3. Is dually eligible for Medicare and Medicaid;
4. Has a high utilization pattern;
5. Has one or more chronic conditions;
6. Has had a recent diagnosis that is expected to result in increased cost;
7. Is entitled to Medicaid because of disability; or
8. Is diagnosed with a mental health or substance abuse disorder.

Capitalized terms not otherwise defined will have the meaning set forth in the Definitions Policy.

## **PROCEDURES**

- 1.0 Neither Covenant ACO nor any of its Participants, Providers/Suppliers, or Other Entities shall intentionally act or fail to act in a manner that constitutes the avoidance of At-Risk Beneficiaries and their assignment to Covenant ACO under the MSSP.
- 2.0 In the event Covenant ACO has reason to believe that any of its Participants, Providers/Suppliers, or Other Entities are engaging in the avoidance of At-Risk Beneficiaries, Covenant ACO shall take reasonable measures to ensure that such parties promptly cease any such avoidance activities.
- 3.0 CMS has right to monitor and access the performance of Covenant ACO and its Participants, Providers/Suppliers, or Other Entities to identify any trends or patterns suggesting the avoidance of At-Risk Beneficiaries.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 800.01 - ACO</b>	
TITLE: <b>Non-Avoidance of At-Risk Beneficiaries</b>	ORIGINATION DATE: 12/14/2017 REVIEW // REVISION DATE(S):	PAGE: Page 2 of 2
APPROVED BY: Covenant ACO Board of Directors	P&P REPLACED [Number]: N/A	

**REFERENCES**

- 42 C.F.R. § 425.316

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 810.01 - ACO</b>	
<b>TITLE:</b> <b>NOTIFICATION TO COVERED PERSONS AND RECEIPT OF CLAIMS DATA POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 1 of 3
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

## **POLICY**

This Policy is for the purpose of ensuring that Covenant ACO, Inc. ("Covenant ACO"), complies with regulations issued by CMS related to providing Covered Persons with an opportunity to decline having their claims information shared by CMS with Covenant ACO; and the requirements associated with obtaining identifiable data of Covered Persons from CMS by Covenant ACO.

## **SCOPE**

Covenant ACO and its employees, agents, contractors, affiliates, directors, officers, and committee members; All Participants and their participating Provider/Suppliers, directors, officers, employees, agents, contractors, and affiliates.

## **DEFINITIONS**

Capitalized terms used but not otherwise defined have the meaning set forth in the Definitions Policy.

## **PROCEDURES**

### **1.0 Procedures for Beneficiary Notification**

- 1.1 Before requesting claims data about a particular beneficiary, Covenant ACO, and/or its Participants, shall inform the Covered Person that Covenant ACO may request personal health information about the Covered Person for purposes of its participation in the MSSP and other care coordination and quality improvement work, and give the beneficiary meaningful opportunity to decline having his/her Medicare claims information shared with Covenant ACO.
- 1.2 Covered Persons are notified about the opportunity to decline claims data sharing through CMS materials such as the Medicare & You Handbook and through the notifications required under Section 425.312.
- 1.3 The notifications provided under Section 425.312 must state that Covenant ACO may have requested identifiable claims data about the Covered Person for purposes of its care coordination and quality improvement work, and inform the beneficiary how to decline having his or her claims information shared with Covenant ACO in the form and manner specified by CMS.
- 1.4 Covered Person requests to decline claims data sharing will remain in effect unless and until a beneficiary subsequently contacts CMS to amend that request to permit claims data sharing with accountable care organizations.
- 1.5 CMS shall not share, and Covenant ACO shall not request access to, identifiable claims data of Covered Persons relating to treatment for alcohol and substance abuse in accordance with regulations at 42 C.F.R. Part 2.

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 810.01 - ACO</b>	
<b>TITLE:</b> <b>NOTIFICATION TO COVERED PERSONS AND RECEIPT OF CLAIMS DATA POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 2 of 3
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- 1.6 The provisions of this Policy relate only to the sharing of Medicare claims data between the Medicare program and Covenant ACO under the MSSP and are in no way intended to impede existing or future data sharing under other authorities.

## **2.0 Procedures for Receipt of Identifiable Claims Data**

Subject to providing Covered Persons with the opportunity to decline to have their data shared with Covenant ACO (as described above), and subject to having a valid Data Use Agreement (DUA) in place with CMS, Covenant ACO may request certain identifiable data of Covered Persons from CMS for purposes of evaluating the performance of Participants or its Providers/Suppliers, conducting quality assessment and improvement activities, and conducting population-based activities relating to improved health. CMS will provide Covenant ACO with identifiable claims data of Covered Persons for preliminary prospective assigned Covered Persons and other Covered Persons who receive primary care services from a Participant and independent physicians upon whom assignment is based during the agreement period.

- 2.1 In order to receive identifiable claims data of Covered Persons from CMS, Covenant ACO must sign a DUA and it must submit a formal request for data. Covenant ACO may not request data more often than once per month.
- 2.2 Covenant ACO must certify that it is requesting claims data about either of the following:
- (a) Its own patients, as a HIPAA-covered entity, and the request reflects the minimum data necessary for Covenant ACO to conduct its own health care operations work that falls within the first or second paragraph of the definition of health care operations at 45 C.F.R. § 164.501; or
  - (b) The patients of its HIPAA-covered entity Participants or its Providers/Suppliers as the business associate of these HIPAA covered entities, and the request reflects the minimum data necessary for Covenant ACO to conduct health care operations work that falls within the first or second paragraph of the definition of health care operations at 45 C.F.R. § 164.501 on behalf of those participants.
  - (c) The use of identifiers and claims data will be limited to developing processes and engaging in appropriate activities related to coordinating care and improving the quality and efficiency of care that are applied uniformly to all Medicare beneficiaries with primary care services at Covenant ACO. Covenant ACO shall not use such data to reduce, limit or restrict care for specific beneficiaries.
  - (d) To ensure that Covered Persons have a meaningful opportunity to decline having their claims data shared with Covenant ACO, Covenant ACO may only request claims data about a beneficiary if—

<b>Covenant ACO, Inc.</b>	<b>POLICY &amp; PROCEDURE # 810.01 - ACO</b>	
<b>TITLE:</b> <b>NOTIFICATION TO COVERED PERSONS AND RECEIPT OF CLAIMS DATA POLICY</b>	<b>ORIGINATION DATE:</b> 12/14/2017 <b>REVIEW // REVISION DATE(S):</b>	<b>PAGE:</b> Page 3 of 3
<b>APPROVED BY:</b> Covenant ACO Board of Directors	<b>P&amp;P REPLACED [Number]:</b> N/A	

- (i) The Covered Person name appears on the preliminary prospective assignment list provided to Covenant ACO at the beginning of the performance period.
- (ii) The Covered Person has been notified that Covenant ACO has requested access to use identifiable claims data of the Covered Person in order to improve the quality of care that is furnished to the Covered Person and, where applicable, coordinate care offered to the Covered Person; and
- (iii) The Covered Person did not exercise the opportunity to decline having his/her claims data shared with Covenant ACO (as provided above).

**REFERENCES**

**42 C.F.R. § 425.708**  
**42 C.F.R. § 425.704**