

## Policy for Selecting Comprehensive Care for Joint Replacement (CJR) Collaborators

**WHEREAS**, the Centers for Medicare & Medicaid Services (“**CMS**”) is implementing a new Medicare Part A and B payment model called the Comprehensive Care for Joint Replacement model (“**CJR**”), in which certain acute care hospitals, including the Hospital, will receive retrospective payments (or be required to repay funds received) relating to the cost and quality provided in episodes of care for lower extremity joint replacement or reattachment of a lower extremity, including all related care within ninety (90) days of hospital discharge (each an “**Episode of Care**”);

**Therefore**, to provide for collaboration involving care redesign and the achievement of savings that occur from eliminating inefficiencies and enhancing quality during an Episode of Care, SAMC has elected to execute a Collaborator Agreement with Southern Bone and Joint Specialists, P.C. to include each of its member orthopedic surgeons. The members of this group represent all of the credentialed orthopedic surgeons on the SAMC medical staff.

1. Participation. Group and Hospital acknowledge that the criteria for its participation in the Arrangement are as follows:
  - (a) Employ Physicians who maintain membership on Hospital’s active medical staff in good standing with clinical privileges to provide orthopedic surgery services;
  - (b) Employ Physicians, each of whom hold a current, valid, and unrestricted license to practice medicine in the State of Alabama, and current, valid, and unrestricted federal (DEA) and state permits to prescribe narcotics and other controlled substances required for the treatment of patients;
  - (c) Participate in and remain in good standing with the Medicare and Medicaid programs;
  - (d) Bill for an item or service that was rendered by one or more Physicians to a CJR patient in at least one (1) CJR Episode of Care each performance year;
  - (e) Meet the following additional quality criteria threshold: achieve a ninety (90) day related readmission rate for CJR patients in each performance year that is less than two (2) standard deviations above the national mean;
  - (f) Adhere to pharmacy, care coordination, and post-acute standards of care;
  - (g) Contribute to the Care Redesign developed by the Hospital and be clinically involved in the care of CJR patients, which may include (i) providing care coordination services to CJR patients during and/or after inpatient admission, (ii) engaging with Hospital in the strategies for improving the quality of care and reducing spending for CJR patients in the Care Redesign and performing a role in implementing such strategies, and (iii)

implementing, in coordination with other providers and suppliers, strategies designed to address and manage the comorbidities of CJR patients.

## 2. CJR Patient Population.

(a) The patient population to be included in the Arrangement shall be as outlined in the CJR Regulation.

(b) Group acknowledges and agrees that Physicians shall treat patients requiring CJR services without regard to the Arrangement and shall admit and treat only patients for medically necessary procedures. Group further acknowledges and agrees that no patient under the care of its Physicians will have any medically necessary procedure, test, consult, or other clinical action reduced or limited as a result of the Arrangement. The Committee may periodically review the admission of patients by Physicians and may request further information from Group, and Group shall ensure that each Physician agrees to cooperate fully with such request.

(c) Group acknowledges and agrees that information relating to all patients discharged from Hospital by Physicians shall contribute to the cost and quality data maintained by Hospital. Group agrees not to select certain patients for the Program and not to withdraw patients from the Program. The Committee will periodically review the mix of patient ages, severity, and payors to confirm that each Physician is admitting a historically normal selection of patients to Hospital. In the event that the Committee determines that a Physician is not admitting a historically normal selection of patients, the Hospital may terminate Group's participation in this Arrangement in accordance with the termination provisions below. Data on patient demographics, expected mortality, and payor status will be collected and analyzed by the Committee over the duration of the Arrangement.

3. Duties of Group. During the term of this Agreement, the Committee and Hospital will oversee all aspects of Group's adherence to the Care Redesign. Group shall comply with the terms of the Care Redesign, as amended from time to time, and Group agrees that Physicians, as well as its other employees and contractors, shall:

(a) devote material time and effort to (i) reduce the supply and variable cost of CJR services in a clinically-sound manner, and (ii) maintain and improve the quality of CJR services rendered to patients. Group acknowledges that the foregoing will require additional time, effort, attention, and responsibility in delivering patient care and will include attention and effort applied to various areas impacting the provision of care to patients;

(b) comply with applicable provisions of the CJR Regulation, including providing CJR patients with written notice of the structure of the model and the existence of the Arrangement with Hospital; such notice shall be provided at the time that the

decision is made to undergo surgery covered by CJR and shall be in substantially the form developed by the Committee;

(c) assist and cooperate with Hospital in the development of additional or revised protocols with respect to the Arrangement, clinical pathways and other clinical process improvements to be developed during the term of this Agreement;

(d) actively participate in the Committee by attending meetings and supporting the Arrangement;

(e) provide or grant Hospital, CMS, Office of Inspector General, the Comptroller General, and their designees unrestricted access to all books, contracts, records, documents, and other evidence (including data related to utilization and payments, quality criteria, billings, lists of CJR collaborators, sharing arrangements, and such other documentation required by the CJR Regulation) sufficient to enable the audit, evaluation, inspection, or investigation of the Group's compliance with the CJR, the quality of services furnished, any obligation to repay amounts to CMS, or the calculation, distribution, receipt, or recoupment of payments hereunder;

(f) maintain books, contracts, records, documents, and other information related to the Arrangement for a period of at least ten (10) years from the expiration or termination of this Agreement or from the date of completion of any audit, evaluation, inspection, or investigation, whichever is later, unless CMS provides notice of a longer retention period in accordance with the CJR Regulation; and

(g) perform any other duties as directed by Hospital or the Committee for purposes of the Arrangement.

4. Representations and Warranties of Group. Group hereby represents, warrants and covenants as follows, which shall be continuing in nature throughout the term of this Agreement:

(a) Professional Qualifications. Physicians shall hold a current, valid, and unrestricted license to practice medicine in the State, and current, valid, and unrestricted federal (DEA) and state permits to prescribe narcotics and other controlled substances required for the treatment of patients. Further, Group and its Physicians shall be in compliance with applicable Medicare enrollment requirements, including maintaining an active and valid National Provider Identifier number.

(b) Conduct. Group and its Physicians have never been suspended, excluded, barred, sanctioned or penalized under the Medicare program, or any other governmental health plan or program, and Group and its Physicians have never been convicted of an offense related to health care or is currently under investigation for any such alleged violation.

(c) Medical Staff Membership. Each Physician is a member in good standing of the active medical staff of Hospital, with clinical privileges to provide orthopedic surgery services.

