Implementation Process

Two significant uses of the shared savings are: To provide beneficiaries ways to improve their health status through both health education along with prevention education (such as “fall” prevention) and fitness opportunities tailored to the age and physical capabilities of each beneficiary. Access to tools such as “AgeNation”, a network of concierge services, fitness activities, prevention programs, and lifestyle enhancement will be made available to the beneficiaries as money permits. To restructure delivery of care to avoid high emergency room costs, unnecessary services or hospital admissions, and provide less costly after-hours access to specialists that can determine the need for further specialty care in an appropriate setting. Shared savings will be divided annually in accordance with the following process:

10% of total savings will be set aside for improving access and the quality of services to the Medicare population served, provision of educational materials and fitness/prevention to improve health status, and to modify or redesign delivery of services to lower costs incurred for medical services currently received in high-cost, inappropriate settings. This includes the costs of resources and personnel required to implement Board approved activities for beneficiaries.

20% of the shared savings will be reinvested in PAK to offset costs of operations, develop new infrastructure and technology solutions, and to invest in new care processes. Distribution of this pool of shared savings will be in accordance with the following procedures until the pool is depleted:

a. The Board will determine needed changes to infrastructure, technology solutions, personnel, and other operational requirements of PAK and will determine the amount from this portion of the savings to apply to those activities.

b. SIPAK will be reimbursed up to $2,600 per physician that achieves the minimum or basic standards of performance approved by the Board.

c. All shareholder physicians who achieve the minimum or basic standards of performance approved by the Board will receive an equal distribution up to $2,400.

d. PAK reserves and dues for the following year’s operations will be funded in accordance with Board approved allocations.

70% of the savings will be divided among participants based on incentives to participants who meet the PAK standards and measures for performance and quality improvement and patient attribution. PAK standards and performance measures include specialty specific clinical quality improvement, care coordination, admission and readmission rates, individual physician cost of care and aggregate cost of care criteria. The measures also reflect how and to what level participants comply with PAK guidelines, pathways, and protocols for targeted conditions and process protocols related to emergency department and nursing home usage. The measures include the adoption by each participant of the PAK technology solutions. Participants who do not meet minimal quality improvement standards and performance measures will not be permitted to participate in the shared savings distribution. Annually, the quality improvement standards will be reviewed and revised to reflect overall improvement goals and resultant improvements in beneficiary health status. Allocation of this pool of shared savings will be in accordance with the attachment for Shared Savings Distribution, the physician meeting all standards, and the following:

Attribution: The calculation of shared savings distributed to each physician will be based on determining eligible physicians who meet all standards and:

\[
\text{Attribution pool dollars} \times \frac{\text{Number of patients attributed by physician}}{\text{Number of total attributed patients}}
\]

Quality Improvement and Performance Measures: The calculation of shared savings distributed to each physician will be based on:

\[
\frac{\text{QI-PM pool dollars}}{\text{Number of PAK physicians who meet all standards}}
\]
Minimal (Basic) Standards

1. Minimum number of patients seen by physician
2. Technology solutions adoption
3. Individual cost targets
4. Minimum guideline, protocol, and performance measure adherence

All Standards

1. Minimal (Basic) standards met, including ED and ancillary usage
2. Performance measures achievement of 90% or better
3. Compliance with Quality Improvement and remedial actions requests
4. No practice restrictions
5. Compliant admission and readmission rates