REQUIRED PUBLIC DISCLOSURE FOR ACO PARTICIPATION WAIVER

CENTRUS HEALTH OF KANSAS CITY, LLC

Centrus Health of Kansas City, LLC ("Centrus KC") is an accountable care organization ("ACO") that has been accepted for participation in the Medicare Shared Savings Program ("MSSP"). The Secretary of the U.S. Department of Health and Human Services has made available waivers of certain federal laws that may otherwise limit innovation by ACOs participating in the MSSP. To receive the benefit of an ACO Participation Waiver, an ACO must make public disclosure of certain arrangements. This disclosure is made pursuant to the public disclosure requirement.

The Board of Directors of Centrus KC has considered each of the following arrangements and has made *bona fide* determinations that each is reasonably related to the purposes of the MSSP:

- 1. Network Participation Agreements. Prior to and following its acceptance into the MSSP, effective January 1, 2018, Centrus KC has entered into a standard form of Network Participation Agreement with individual physicians and physicians who practice in physician groups ("Participating Providers") to perform services, including services for Medicare beneficiaries. The form Agreement provides for potential compensation to a Participating Provider from the payments Centrus KC receives through its participation in the MSSP. A list of Participating Providers is posted on Centrus KC's website.
- 2. <u>In-Network Referral Policies</u>. The Board of Centrus KC approved certain new policies and updates to existing policies on August 21, 2017, which apply to all Participating Providers. Such policies are intended to encourage Participating Providers to actively participate in quality, utilization, cost effectiveness, efficiency, and other quality of care initiatives of Centrus KC to achieve effective clinical integration as an ACO and ultimately, provide value to patients, purchasers, and Participating Providers. One of the ways that Centrus KC seeks to support these initiatives and accomplish its goals involves encouraging the Participating Providers to refer patients to other Participating Providers within the Centrus KC network if the referral is appropriate in a Participating Provider's independent medical judgment. The policies include:
 - Provider Participation Policy The policy establishes criteria for a Participating Provider's participation in the ACO. Each Participating Providers must actively participate in quality, utilization, cost effectiveness, and other quality of care initiatives to achieve an effective clinical integration program.
 - Payor Contracting Policy This policy authorizes Centrus KC to enter into value-based contracts with payors on behalf of its Participating Providers when such contracts provide value to patients, purchasers, and Participating Providers and recognize the quality, utilization, cost effectiveness, and efficiency initiatives of the ACO.
 - Quality Performance Improvement Policy This policy establishes a Quality Performance Improvement Committee to evaluate Participating Providers based on their compliance with clinical integration policies by analyzing each Participating

Provider's performance and achievement of clinical outcomes in relation to the measures and initiatives established for the ACO.

- 3. <u>Executive Support</u>. Centrus KC has entered into Executive Services Agreements with certain professionals to provide leadership, expertise, and administrative guidance in the day-to-day operations of Centrus KC's ACO. The compensation of such professionals may be comprised, in part, of funds that Centrus KC collects as its portion of shared savings from its participation in the MSSP. The agreements include:
 - Executive Services Agreement, effective as of June 1, 2017, by and between Centrus KC and the Board of Trustees of North Kansas City Hospital for the services of Jill Watson to serve as Executive Director of Centrus KC.
 - Executive Services Agreement, effective as of June 1, 2017, by and between Centrus KC and Kansas City Metropolitan Physician Association, LLC for the services of Sarah Stahl to serve as a Clinically Integrated Network Coordinator.
- 4. <u>Information Technology Support</u>. Centrus KC has entered into a Master Services Agreement to obtain use of information technology, software, data analytics support, and related services and tools to facilitate the administration of Centrus KC's participation in the MSSP. The compensation to the service provider under such agreement may be comprised, in part, of funds that Centrus KC collects as its portion of shared savings from its participation in the MSSP.
 - Master Services Agreement, effective as of August 7, 2017, by and between Centrus Health and Florida Hospital Healthcare System, Inc., d/b/a Population Health Services Organization ("PHSO") for PHSO to provide administrative services including population health and data analytics related to Centrus KC's participation in the MSSP.