VALUE INCENTIVE PROGRAM

BCBSM MEDICARE ADVANTAGE PRODUCT EXHIBIT
ASCENSION MEDICAL GROUP PROMED
EFFECTIVE DATE: January 1, 2023

I. PHYSICIAN ORGANIZATION FUNDS

A. **Medical Services Funding** - BCBSM will allocate a monthly premium to a Physician Organization ("PO") Medical Services Fund ("Medical Services Fund" or "Fund") based upon Medicare Advantage PPO members ("Members") currently attributed to PO Practitioners at the time of Fund allocation. BCBSM will not allocate funding for Members enrolled in self-funded groups or for other excluded groups, except as noted herein.

B. **Covered Medical Services Fund Allocation –** Covered Services will be funded with an allocation of premiums to the Medical Services Fund that shall be calculated using prospective medical loss ratio targets ("MLR"). MLRs will be determined on an annual basis for distinct BCBSM Medicare Advantage Member populations, e.g., individual, employer group, specific employer groups (each a "BCBSM Medicare Advantage Segment" or "Segment") based on the weighted average of the regional targets and each PO's regional distribution within each Segment.

The Segment level MLRs will be equal to Total Benefit Expense divided by Total Revenue minus Taxes:

1. Total Benefit Expense will be equal to the sum of Paid Claims for Medical services and 100% of Non-Claims Benefit Expenses.

    a. "Paid Claims" will be equal to allowed claims less Member liability. No services will be carved out of the Paid Claims included in the financial model other than those listed in Section I(C) of this Exhibit. Claims incurred by attributed Members shall be included regardless of the provider delivering care or whether the claims are processed by BCBSM Medicare Advantage or a vendor.

    b. "Non-Claims Benefit Expense" shall mean non-claims benefit expense as defined by BCSBM Medicare Advantage, and will include, but not be limited to, such expenses as PEC Program incentives and allocated vendor costs and fees. BCBSM Medicare Advantage may secure vendors or other such third parties to perform BCBSM Medicare Advantage-led initiatives, functions, or services which may impact the Financial Model. BCBSM Medicare Advantage applies the adjustment for projected Non-Claims Benefit Expenses in target development and actual Non-Claims Benefit Expenses at settlement.

2. Total Revenue shall be equal to the sum of CMS Medical Revenue and BCBSM Medicare Advantage Member premium (whether paid by the Member or on the Member's behalf by an employer group).

    a. "CMS Medical Revenue" means all risk-adjusted capitated payments made by CMS to BCBSM Medicare Advantage on a periodic basis for a specific BCBSM Medicare Advantage Member, including Part C and Part D revenue, reinsurance subsidy and MLR transfer, if applicable, and less sequestration.

    b. "Taxes" means the federal insurance premium tax.

C. **Medical Services Fund Allocation Carve-outs** – The following Covered Services and charges are excluded from the allocation to the Fund described in Section I(B):

1. Additional benefits provided under supplemental buy-ups (as an example, optical and hearing aid benefits).
2. On a prospective basis, End Stage Renal Disease (ESRD) Dialysis Members (as listed in the monthly Membership Report from CMS).
3. On a prospective basis, any member who is eligible for inclusion in the Landmark program or a similar high intensity in home care program.

BCBSM will provide PO notice if additional services are carved out of Medical Service Funding during the Agreement Year.

D. **Landmark-Eligible Member Inclusions and Exclusion**
Landmark-eligible members are excluded from financial risk and the Quality Rating Gain Share Payout Schedule calculation. Landmark-eligible members are included for purposes of quality measurements related to the Performance Recognition Program (PRP) and the Risk Adjustment Program Support referenced in Section III(A).

E. **Attribution** – BCBSM will attribute Members to PO Practitioners based upon BCBSM attribution methodology. PO and/or PO Practitioner may notify BCBSM of Members who are incorrectly attributed to PO Practitioners. BCBSM will verify information provided by PO and/or PO Practitioner and make corrections as necessary.

II. BILLABLE COVERED SERVICES

All Billable Covered Services provided by PO Practitioners to Members will be paid according to each Practitioner's then current MAPPO participation or affiliation agreement.

III. FINANCIAL INCENTIVES

PO shall be eligible to receive the following financial incentive payments provided that it meets the following criteria:

A. **Risk Adjustment Program Support** – PO and identified eligible PO physician practices must engage with Advantasure to improve capture of appropriate medical conditions for MA Members and to improve medical record documentation and coding. Engagement with Advantasure includes physician education, access to and review of medical records by Advantasure and other supporting vendor partners, receiving and acting upon Advantasure alerts, and where applicable, allowing an embedded Advantasure Provider Engagement Coordinator (PEC) in the office. Some practices may have the option of participating in electronic PEC where alerts are delivered electronically (ePEC). PO physician practices will have an opportunity to receive an incentive, based on their performance against the criteria outlined in the Advantasure PEC program material documents which shall be made available to PO. This Advantasure PEC and ePEC program-related payment is in lieu of any incentive earned through other risk coding programs. MAPPO members specifically excluded or covered under a self-funded group are not eligible for any Advantasure PEC program-related incentive payment unless otherwise noted in this Payment Exhibit.

B. **PO Gain Share** - At the time of Fund reconciliation and settlement, the Gain Share percentage will be determined on a per measure basis. PO gain sharing will be determined based on the BCBSM Quality Ratings as shown in the table below. The final PO gain share percentage ("Final Gain Share") will be the summation of the individual measure PO Gain Share Percentage values (see table below). PO may be eligible to receive up to 40% of the gain in the Medical Services Fund. The maximum PO gain share will be limited to $15.00 PMPM.

BCBSM Quality Rating - Gain Share Payout Schedule

PO Performance		2023 Band Scoring					
Quality Measure	Scoring Weight	Band 4.0		Band 4.5		Band 5.0	
		Required Score	Gain Share Percent	Required Score	Gain Share Percent	Required Score	Gain Share Percent
Clinical HEDIS/Pharmacy (Part C/Part D)	**17**						
Breast Cancer Screening	1	≥75% to <78%	1.50%	≥78% to <82%	1.75%	≥82%	2.00%
Colorectal Cancer Screening	1	≥75% to <78%	1.50%	≥78% to <82%	1.75%	≥82%	2.00%
Controlling High Blood Pressure	3	≥77% to <80%	4.50%	≥80% to <84%	5.25%	≥84%	6.00%
Diabetes Care - Blood Sugar Control (≤9%)	3	≥81% to <84%	4.50%	≥84% to <87%	5.25%	≥87%	6.00%
Diabetes Care - Eye Exam	1	≥73% to <76%	1.50%	≥76% to <80%	1.75%	≥80%	2.00%
Follow-up after ED visit for High Risk Multiple Chronic Conditions	1	≥65% to <67%	1.50%	≥67% to <70%	1.75%	≥70%	2.00%
Plan All-Cause Readmissions	3	≤10% to >9%	4.50%	≤9% to >8%	5.25%	≤8%	6.00%
Statin Therapy for Patients with Cardiovascular Disease - Received Statin	1	≥87% to <88%	1.50%	≥88% to <90%	1.75%	≥90%	2.00%
Statin Use in Persons with Diabetes	1	≥89% to <90%	1.50%	≥90% to <92%	1.75%	≥92%	2.00%
TRC: Medication Reconciliation Post-Discharge	1	≥74% to <79%	1.50%	≥79% to <85%	1.75%	≥85%	2.00%
TRC: Patient Engagement	1	≥89% to <90%	1.50%	≥90% to <92%	1.75%	≥92%	2.00%
CAHPS	**3**						
CG-CAHPS: Getting Needed Care	1	≥88% to <89%	1.50%	≥89% to <90%	1.75%	≥90%	2.00%
CG-CAHPS: Getting Appointments and Care Quickly	1	≥87% to <88%	1.50%	≥88% to <89%	1.75%	≥89%	2.00%
CG-CAHPS: Care Coordination	1	≥88% to <88.5%	1.50%	≥88.5% to <89%	1.75%	≥89%	2.00%
			30%		**35%**		**40%**

Each measure's Required Score value will be determined in accordance with the requirements and specifications published in the 2023 Quality Rewards Booklet associated with Performance Recognition Program (PRP). **Except for the CG-CHAPS Care Coordination score,** all other final scores will be rounded up or down to the nearest whole number (<.50 will be rounded down, ≥.50 will be rounded up; e.g., 73.50% will round to 74.00%, 73.49% will round to 73.00%).

C. **Criteria Modification** - The BCBSM quality rating targets and PO gain share percentages may be modified for subsequent years of this Product Exhibit. BCBSM will provide PO with written notice of any modifications to the BCBSM quality rating - Gain Share Payout Schedule by February 28th of each year.

D. **Limit to PO Gain Share** – PO's share of gain shall be limited to 33% of PO's Maximum Potential Payment minus the incentive payments. The "Maximum Potential Payment" is defined by CMS Regulation as the following payments received under the Medicare Advantage PPO Provider Agreement and this Product Exhibit:

1. The maximum payments possible to physicians or physician groups including payments for services they furnish directly, and additional payments based on use and cost of referral services, such as withholds, bonuses, capitation, or any other compensation to the physician or physician group. Bonuses and other compensation that are not based on use of referral, such as quality of care furnished, patient satisfaction or committee participation, are not considered payments in the determination of substantial financial risk.

PO will be paid the lesser of (1) the incentives earned or (2) 33% of the Maximum Potential Payment.

IV. EXCLUDED GROUPS

BCBSM may exclude Members from PO's attributed member population, including, but not limited to significant new Group Membership for which historical data is not available

V. MICHIGAN PUBLIC SCHOOLS EMPLOYMENT RETIREMENT SYSTEM (MPSERS), STATE OF MICHIGAN (SOM), and BLUE CROSS BLUE SHIELD OF MICHIGAN/EMERGENT HOLDINGS (HOME OFFICE) MEMBERS

MPSERS, SOM, and the Blue Cross Blue Shield of Michigan/Emergent Holdings (Home Office) plans are self-funded groups that are included in this contract. They retain the right to terminate their participation in the MAPPO Value Incentive Program at any time and for any or no reason. In the event of termination prior to the end of the calendar year, MPSERS, SOM, and/or the Home Office plans shall be responsible for their pro-rata share of any payments noted in Section III (A-B).

VI. RISK ADJUSTMENT DATA VALIDATION AUDIT

If any PO Practitioner's medical record is selected for audit by CMS or BCBSM, and if CMS or BCBSM determines, based upon CMS standards, that the medical record does not support the diagnosis as originally reported and paid; BCBSM may adjust the medical services funding for the impacted member (i.e., remove the additional funding from the unsupported diagnosis).

VII. SETTLEMENT OF PO FUNDS

A. **Agreement Year-end Settlement –** The reconciliation and settlement of the Fund will take place ten (10) months after each Agreement Year-end. If there is a delay of final revenue from CMS, a corresponding delay may occur with the PO settlement, and BCBSM will provide notice to the PO of the CMS delay. Settlement will be based on:

1. Claims for services provided during the Agreement Year and paid through September 30th of the following year; and
2. An estimate of Incurred But Not Reported (IBNR) claims; and
3. The Covered Medical Services Fund Allocation; and
4. The final BCBSM Quality Rating for the Agreement Year.

If the estimated Fund balance at time of settlement is a net gain, BCBSM will pay PO's share of such gain within thirty (30) days after the settlement date. This settlement will mark the final settlement of PO Funds for the applicable Agreement Year.

B. **Settlement at Termination** - In the event of termination of the Value Incentive Program Agreement, reconciliation and settlement of Fund will take place in accordance with the timeframes identified in Section VII(A).

VIII. AUDIT OF CLAIMS

BCBSM conducts an audit of all submitted claims to ensure appropriate coding, based on established clinical edit rules. In the event the audit identifies an improper use or combination of billing codes, certain billed service(s) may be denied. All services denied in accordance with this provision are subject to Member Hold Harmless provisions set forth in the Agreement.

IX. TERMINATION DATE

For purposes of settlement, the termination date shall be the date specified in the notice of termination furnished in accordance with this or the Value Incentive Program Agreement or the date the last MAPPO Member is transferred from PO, whichever is later.

X. MUTUAL UNDERSTANDING

BCBSM and PO understand that the Value Incentive Program and this Medicare Advantage Product Exhibit is a program with the goal of partnering with selected POs to improve the quality and cost efficiency of care provided to MAPPO Members. If BCBSM is required to modify any aspect of this Product Exhibit due to reporting capabilities, BCBSM will notify PO in writing as soon as possible after identification of necessary changes (e.g., additional carved out services, stop loss provisions).

XI. REGULATORY OVERSIGHT

All terms and conditions of this Product Exhibit for the BCBSM Medicare Advantage PPO Product are subject to review and approval by appropriate federal and state regulatory authorities. Upon

direct instruction from such authorities, the Value Incentive Program Agreement and/or this Medicare Advantage Product Exhibit may be amended to address new mandated requirements or terms.

This Product Exhibit is agreed to by both parties as witnessed by their signatures below.

BLUE CROSS AND BLUE SHIELD OF MICHIGAN

By: _____
(Signature)

By: **Susan L. Barkell**
(Print Name)

Senior Vice President,
Provider Contracting & Network Operations
(Title)

Date: 3/24/2023

ASCENSION MEDICAL GROUP PROMED

By: _____
(Signature)

By: Douglas Myers
(Print Name)

Chief Financial Officer, Ascension Michigan
(Title)

Date: 03/21/2023