

## **Terms and Conditions Agreement for Demonstration Sites Participating in the Acute Care Episode Demonstration**

Potential applicants for this demonstration are limited to health care groups, specifically physician-hospital organizations (PHOs), with at least one physician group and at least one hospital that routinely provide at least one of the two main procedures included in the demonstration: hip/knee replacement surgery and/or coronary artery bypass graft (CABG) surgery. Further details on eligible providers can be found in the solicitation for applications, published on CMS' website:

<http://www.cms.hhs.gov/DemoProjectsEvalRpts/downloads/acedemonstration.pdf>.

Below are terms and conditions for participation in the Acute Care Episode (ACE) demonstration.

### **ACE Demonstration-Specific Terms and Conditions**

1. The demonstration site must provide proof of its status as a legal entity according to the specifications of the ACE demonstration. Documentary evidence of an agreement between the entities comprising the health care group, or PHO, attesting to the ability and willingness of the partnering organizations to enter into the demonstration for the full length of the project must be submitted to the CMS project officer.
2. The demonstration site, and its individual entities, agrees to accept its global payment amounts for demonstration procedures as payment in full for demonstration procedures for the duration of the demonstration.
3. Demonstration sites will have the opportunity to modify payment amounts and the scope of services included in their bundled payment bids if CMS determines a new methodology for including post-acute care services in the episodes of care.
4. The demonstration site agrees to notify CMS prior to any changes to its organizational structure and/or physicians that it represents that may impact the ACE demonstration.
5. CMS will monitor spending among the participating hospitals and may terminate sites which are not at least budget neutral compared with standard Medicare payments.
6. The demonstration site agrees to the quality monitoring data collection process outlined in the solicitation for applications and specified in the Quality Monitoring Measures document on the ACE demonstration webpage.
7. The demonstration site agrees to the provider incentive, or gainsharing, rules available from CMS and incorporated herein if the demonstration site chooses to engage in such a

program. Incentivizing providers is an optional element of this demonstration and CMS must approve all provider incentive programs.

8. If CMS finds demonstration procedures are performed at volumes greater than what would be expected by normal variation in demonstration sites, and/or shifting of services inappropriately outside of the defined episode of care, we will investigate increases through data analysis and discussions with relevant demonstration sites. If CMS finds that volume is increased for reasons that are undesirable, CMS may terminate or suspend the demonstration site and initiate any other actions available under the law.

### **General Terms and Conditions**

1. The demonstration site must be in good standing with CMS' Program Integrity Office throughout the course of the demonstration.
2. The demonstration site agrees to submit an operational protocol for the demonstration containing policies and procedures for each of the following areas: (a) beneficiary targeting, outreach and notification, (b) education and training, (c) care coordination interventions, (d) quality monitoring and improvement, (e) bonus sharing methodology and physician incentive arrangements (both financial and non-financial), (f) demonstration implementation plan, and (g) the responsibilities of the administrative and clinical professionals in managing the demonstration. The final operational protocols must be approved by CMS and are due by December 1, 2008 for selected demonstration sites.
3. The demonstration site agrees to notify beneficiaries of its participation in the demonstration, through signage, individual notices and/or other mechanisms agreeable to the CMS project officer. Notices must describe the goals and objectives of the demonstration and the use of financial incentives to improve quality and efficiency under the demonstration. Also, notices should include the following statement, ““This hospital may share your clinical data with Medicare (Centers for Medicare & Medicaid Services and its contractors) for purposes of participating in the above-mentioned demonstration and for quality assurance related to the demonstration.”
4. The demonstration site agrees to cooperate with the independent implementation contractor and evaluation contractor selected by CMS. The demonstration site agrees to arrange and participate in CMS and contractor site visits.
5. CMS may suspend or terminate any project in whole, or in part, at any time before the date of expiration, whenever it determines that the demonstration site has failed to comply with the terms of the project or for its sole convenience. CMS will promptly

6. The CMS project officer or designee will be available for technical consultation at the convenience of the demonstration site within 5 working days.
7. The demonstration site must comply with the Privacy Rule and other Health Insurance Portability and Accountability Act and accompanying regulations.
8. During the demonstration and for 6 months after completion of the project, the demonstration site shall notify the CMS project officer 30 days prior to formal presentation of any report or statistical or analytical material based on information obtained through this award. Formal presentation includes papers, articles, professional publication, speeches, and testimony. The demonstration site agrees to include the following statement on the first page of all formal presentations: “The statements contained in this document are solely those of the authors and do not necessarily reflect the views or policies of the Centers for Medicare & Medicaid Services. The authors assume responsibility for the accuracy and completeness of the information contained in this document.” In the course of this research, whenever the principal investigator determines that a significant new finding has developed, he or she will communicate it to the CMS project officer before disclosure to the public.
9. Any inconsistency in this agreement shall be resolved by giving precedence in the following order:
  - a. These terms and conditions;
  - b. The CMS solicitation for the Acute Care Episode demonstration;
  - c. The demonstration site’s operational protocols;
  - d. The demonstration site’s application.

These terms and conditions are final and are agreed to by CMS and the demonstration site. The ACE demonstration site representative must be the signature of an officer who can legally sign contracts and bind the organization.

Agreed to by:

\_\_\_\_\_  
Timothy Love, CMS Representative

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ACE Demonstration Site Representative

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Date

\_\_\_\_\_  
Date