

6/10/2008

**Participation in the Acute Care Episode (ACE) Demonstration  
Minimum Requirements – Formation of a Physician-Hospital Organization (PHO)**

Applicants for the Acute Care Episode, or ACE, Demonstration must be physician-hospital organization. A physician-hospital organization may be formed for purposes of participating in the ACE demonstration. The minimum requirements for qualifying are:

- (1) An affiliation between at least one physician group with at least one hospital, which routinely provide the procedures included in the demonstration;
- (2) Documentary evidence of an agreement between the entities comprising the PHO, attesting to the ability and willingness of the partnering organizations to enter into the demonstration for the full length of the project;
- (3) And a Signed statement agreeing to accept the sites' own (annually updated) bundled payment amounts as payment in full for demonstration procedures for the duration of the demonstration.
- (4) Additionally, if multiple hospitals are part of the same PHO, the applicant must make clear which particular hospital(s) will be the demonstration site(s).
- (5) And, applicants that show evidence of a quality committee with both hospital and board-certified physician representatives and dedicated time to overseeing this demonstration will be given preference.