



Instruction Sheet: How to Participate

Thank you for your interest in the Beaumont ACO (BACO). To become a member of the Beaumont ACO, please:

1. Complete/sign the enclosed Subscription Agreement
2. Complete/sign the enclosed Participation Agreement
3. Complete/sign Business Associate Addendum
4. Provide the following information (please print):

Physician Name _____

Practice Name _____

Practice Address _____

Practice Telephone Number _____

Please return all items as soon as possible. Thank you for your cooperation.

For additional information, please contact the Beaumont ACO at 947-522-0037 or at beaumontaco@beaumont.org

Beaumont ACO

A Physician/Health System Partnership

We would like to thank you for your continued participation and support of the Beaumont ACO. If you have any questions regarding the capital contribution please contact the ACO Business Office at 947-522-0037 or beaumontaco@beaumont.org

Sincerely,

Beaumont ACO Board of Managers

Capital Contribution Form

Please complete and mail this form with a check in the amount of \$250.00 to:	
<p style="text-align: center;">Mail to: Beaumont ACO Attn: Provider Relations 26901 Beaumont Boulevard Southfield, MI 48033</p>	
Physician Name (Print):	
Physician NPI (Individual):	

SUBSCRIPTION AGREEMENT

Rights to Purchase Membership Interests in the Beaumont ACO

I hereby subscribe to and agree to purchase one (1) Membership Unit of Oakwood Accountable Care Organization, LLC (the "Company"), doing business as, Beaumont Accountable Care Organization (Beaumont ACO) at a price of Two Hundred and Fifty Dollars (\$250.00) per Unit subject to the terms and conditions set forth in the Operating Agreement of the Company, as amended from time to time (the "Operating Agreement"). I agree that the purchase price for the Unit will be paid to the Company in cash or by automatic deduction from any payments owed to me by my employer. If paid in cash, a certified or bank cashier's check payable to Oakwood Accountable Care Organization, LLC in the amount of \$250.00 for the Membership Unit subscribed for shall accompany this Subscription Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Operating Agreement. (A copy of the Operating Agreement is available electronically at www.oakwoodaco.org/governance.)

A. Subscription Instructions

Please return the following documents to Beaumont ACO, Attention: Provider Relations, at 26901 Beaumont Boulevard, Southfield, MI 48033

1. An executed Subscription Agreement;
2. A completed, executed copy of the Questionnaire attached as Exhibit A hereto;
3. An executed copy of the Physician Participation Agreement; and
4. Any additional documentation that may be required by the Company.

B. Representations

In connection with this subscription, I make the following representations and acknowledgments to the Company:

1. I have sufficient knowledge and experience in business and financial matters so that I am capable of evaluating the merits and risks of the proposed investment. I have completed Exhibit A hereto, which describes certain information relating to my knowledge and experience in business and financial matters. Such information is complete and accurate and may be relied upon by the Company. I will notify the Company immediately of any material adverse change in any such information occurring prior to the acceptance of this subscription and payment of funds pursuant thereto.

2. I am acquiring the Membership Unit solely for my own account, for investment and not with a view to any further sale or distribution thereof. I am also aware that the Company is issuing the Membership Units pursuant to Sections 3(b) and 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Regulation D promulgated thereunder, and the Michigan Uniform Securities Act, as amended, without complying with the registration provisions of the Securities Act or other applicable federal or state securities laws. I further understand that the Company is offering the Membership Units in reliance on an exemption from the registration requirements of Michigan law. I am aware that the Company is relying upon, among other things, my representations and warranties contained herein and in the Questionnaire for purposes of complying with Regulation D.

3. I recognize that the Membership Units will not be registered under the Securities Act, or other applicable federal or state securities laws.

4. I acknowledge, that the Membership Unit may not be transferred and that I must continue to bear the economic risk of this investment for an indefinite period as the Membership Units have not been registered under the Securities Act or any state securities laws and therefore cannot be offered or sold unless they are subsequently registered under such acts or an exemption from such registration is available.

5. I agree not to sell, assign, pledge or otherwise Transfer the Membership Unit or my interest in the Membership Unit and agree that any attempt to do so shall be null and void as to the Company and shall result in cancellation of the Membership Unit without return of the purchase price paid by me to the Company for the Membership Unit.

6. I recognize that the Membership Units have not been approved or disapproved by any governmental or regulatory agency.

7. I understand and agree that I have no right to require the Company to register the Membership Units under federal or state securities laws at any time, or to join in any future registration.

8. I have no need for liquidity in this investment, am able to bear the substantial economic risks of an investment in the Membership Unit for an indefinite period of time and at the present time could afford a complete loss of such investment. My financial resources and income are more than sufficient to meet all of my reasonably anticipated needs without regard to my investment in the Membership Unit.

9. I realize that an investment in the Membership Unit is speculative in nature because of the risks inherent in this investment. I have had an opportunity to consult with my advisor(s) regarding the investment.

10. I am an Eligible Primary Care Physician or Eligible Specialist Physician, or eligible to be an Auxiliary Member as provided in the Operating Agreement, and a member of the medical staff in good standing of at least one of the hospitals operated by a subsidiary of Beaumont Health.

11. While the Company believes that it will successfully manage health care costs and obtain multiple managed care contracts, I acknowledge and agree that there is no guarantee that the Company will be successful in managing health care costs or in obtaining and facilitating managed care contracting opportunities for physicians or that the contracting opportunities will be on terms and conditions satisfactory to me.

12. I understand that the Company is an accountable care organization subject to federal and state laws and regulations and that the scope and exact nature of these regulations is currently uncertain. I further understand that upon promulgation of regulations relating to accountable care organizations, it may be necessary for the Company to make modifications in the structure or governing documents of the Company, including the Operating Agreement.

13. I am a resident of or domiciled in the state of Michigan.

14. I acknowledge that the Membership Unit was not offered to me by means of: (a) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, or broadcast over television or radio, or (b) any other form of general solicitation or advertising.

15. I acknowledge that the Company and its agents, employees and representatives have made no oral or written representations relating to this investment.

C. Miscellaneous

1. I understand that the Company's Operating Agreement does not permit me to transfer or assign the Membership Unit.

2. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect to the subject matter of this Agreement.

3. This Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of Michigan.

4. I agree that I may not cancel, terminate or revoke this Agreement for so long as I remain a Member of the Company.

5. Notwithstanding any of the representations, warranties, acknowledgments or agreements I have made herein, I do not thereby or in any other manner waive any rights granted to me under federal or state securities laws.

D. Indemnity

I agree to indemnify and hold harmless the Company and its managers, members, shareholders, directors, officers, employees, agents, affiliates and representatives from and against all damages, losses, costs and expenses (including attorneys' fees and expenses) which they may incur by reason of my failure to fulfill any of my obligations under this Agreement or by reason of the falsity of any representation made by me herein or in any document or oral statement made or provided by me to the Company.

IN WITNESS WHEREOF, I have executed this Agreement on this _____ day of, _____, 20__.

Signature of Subscriber

Type or Print Name of Subscriber

Type or Print Address

Type or Print Address

EXHIBIT A
QUESTIONNAIR
E

A. BACKGROUND INFORMATION.

Name: _____ State of Residence/Principal Office: _____

Residence Address: _____ Business Address: _____

Residence Telephone Number: _____ Business Telephone Number: _____

Social Security Number/Employer I.D.: _____ Date of Birth: _____

Profession/Title: _____

Send all correspondence to:

Residence Address Business Address

B. ELIGIBILITY

I certify that I am:

[] An Eligible Primary Care Physician

[] An Eligible Specialist Physician

[] A chiropractor or psychologist eligible to be an Auxiliary Member

Signature Page

By executing below, I represent to the Company that the information contained herein is complete and accurate and may be relied upon by the Company and agree to notify the Company immediately of any material adverse change in any of such information occurring prior to the acceptance of my subscription.

Executed on this _____ day of _____, 20

**FOR EXECUTION BY
SUBSCRIBER**

Signature of Subscriber

Type or Print Name of Subscriber

**Signature should conform to that
used on Subscription**



AFFILIATE AND AUXILIARY MEMBER PARTICIPATION AGREEMENT

This Agreement is effective on this __ day of _____, 20__ and is made by and

between Oakwood Accountable Care Organization, L.L.C., doing business as, Beaumont ACO, a Michigan limited liability company (“Beaumont ACO”) and the undersigned provider (“Provider”).

A. Beaumont ACO is an accountable care organization formed by a partnership of the Primary Care and Specialist physician community, other providers and Beaumont Health. Physicians are eligible to participate in the Beaumont ACO if they are members of the medical staffs of acute care hospitals operated by Beaumont Health. Provider eligibility requires a collaborative agreement with a Physician Member or his/her professional corporation or equivalent.

B. Beaumont ACO contracts with health benefit plans, employers and third party administrators (“Plans”) to arrange for the provision of health care services to enrollees of those Plans in a manner that fosters the high quality and cost-effective delivery of health care services.

C. Beaumont ACO contracts with health care providers, including Provider, to provide primary care and specialty physician services and other health care services to Plan enrollees.

D. Provider is duly licensed and registered in the State of Michigan and Provider wishes to contract with Beaumont ACO to provide services to Plan enrollees.

In consideration of the mutual promises set forth below, Beaumont ACO and Provider agree as follows:

1. Participation with Beaumont ACO. Subject to the terms and conditions of this Agreement, Provider agrees to participate as a participating provider of Beaumont ACO and to abide by the terms and conditions of this Agreement.

2. Beaumont ACO Programs. Provider agrees to participate fully in all programs of Beaumont ACO relating to care protocols, quality assurance, utilization management, shared savings programs, peer review, credentialing, member grievance programs, or other professional programs established by Beaumont ACO. Provider further agrees to accept any decisions relating to Provider and Provider’s participation with Beaumont ACO, including corrective action, subject to all appeal rights as may be provided by each Plan or Beaumont ACO.

3. Plan Participation. At Provider’s discretion, Provider may participate in any Plan(s) with which Beaumont ACO has a contract, subject to plan participation requirements. Provider understands and agrees that Beaumont ACO does not guarantee that Provider will be offered the opportunity to participate in each Plan under contract with Beaumont ACO. Provider agrees to comply with the terms and conditions of any agreements made by Beaumont ACO with such Plans

and with Plan's applicable terms of participation, policies and procedures. Initially, Provider will participate through the Beaumont ACO in those Plans selected on page 4 of this Agreement. Provider understands that Beaumont ACO may make available in the future plans in addition to those listed on page 4. The addition of such plans will not be considered an amendment of this agreement.

4. Agreement to Provide Services. Provider shall provide services which are within Provider's area of medical practice to Plan enrollees, subject to the terms and provisions of this Agreement and the coverage conditions of each Plan. Provider agrees not to discriminate against any enrollee on any basis prohibited by state or federal law or regulation.

5. Policies and Procedures. Provider agrees to comply with (i) all policies and procedures of Beaumont ACO, (ii) all applicable government program requirements, and (iii) all Plan requirements.

6. Maintenance of License and Staff Privileges. Provider shall maintain in good standing all licenses, registrations, certifications, and/or privileges as required by Beaumont ACO and each Plan to render services to enrollees. Provider shall maintain medical staff privileges in good standing with at least one hospital owned by Beaumont Health. Provider shall immediately notify Beaumont ACO of any change in Provider's license, certification or privileges on any medical staff.

7. Compliance with Laws. Provider shall comply with all applicable federal, state and local laws and regulations, including without limitation all Medicare and Medicaid statutes and regulations.

8. Claims. Provider shall submit claims to Plan(s) on designated claim forms within the time period required by the applicable Plan. Provider acknowledges that the failure to submit accurate, complete and clean claims as required by a Plan within the required time period may render such claims not payable.

9. Hold Harmless. Provider agrees that claims for services rendered to enrollees will be paid to Provider directly by each Plan. Provider agrees to look solely to Plan for payment for services provided by Provider to Plan enrollees which are covered by Plan. Provider agrees not to bill, charge, collect a deposit from, seek compensation from, or have any recourse against any enrollee, except to the extent that Plan permits Provider to collect co-payments, deductibles, coinsurance or payment for non-covered services directly from enrollees. Provider acknowledges and agrees that Beaumont ACO shall have no financial liability to Provider for payments for services provided to enrollees.

10. Insurance. Provider shall maintain professional liability insurance with minimum limits of coverage as required by Beaumont ACO or any Plan with which Beaumont ACO contracts, shall provide evidence of such coverage to Beaumont ACO when requested, and shall notify Beaumont ACO immediately of any material changes or termination of coverage. Provider agrees to indemnify, defend and hold harmless Beaumont ACO and its members, managers, officers, employees, agents and attorneys from all liability, damages, claims, amounts, costs and expenses (including reasonable attorneys' fees) arising from the furnishing of medical services by Physician.

11. Confidentiality. Provider agrees to comply with the Health Insurance Portability and Accountability Act of 1996 and to maintain the confidentiality of enrollees' health

information, enrollment information and financial terms of this Agreement and shall not release any such information except in compliance with applicable legal requirements or the written consent of the enrollee and Beaumont ACO.

12. Maintenance and Access to Records. Provider agrees to prepare, maintain and retain medical, fiscal and administrative medical records for all services provided to enrollees in accordance with generally accepted medical practice and Beaumont ACO policies. Provider further agrees that Beaumont ACO shall have the right to audit and have access to Provider's records on reasonable notice and during normal business hours, for purposes of determining Provider's compliance with this Agreement and with applicable law.

13. Term and Termination. This Agreement shall remain in effect unless and until terminated as follows:

a. By Provider or Beaumont ACO at anytime with or without cause upon sixty (60) days' prior written notice to the other party;

b. By Provider or Beaumont ACO upon a material breach of any term or condition of this Agreement upon twenty (20) days' written notice, provided that the breaching party shall have such twenty (20) day notice period to cure or resolve the breach and provided further, that such termination shall be subject to applicable Beaumont ACO appeal procedures;

c. Immediately upon termination of Provider's membership interest in Beaumont ACO; or

d. Immediately, in the event of the dissolution of Beaumont ACO, pursuant to the terms of the Beaumont ACO Operating Agreement.

14. Effect of Termination. Termination of this Agreement shall not relieve Provider of any obligations to enrollees currently receiving treatment and of all obligations which have accrued as of termination or which survive termination. Provider shall cooperate with Beaumont ACO, Plan and enrollees to ensure that enrollees are transferred to another physician for treatment.

15. Miscellaneous.

a. This Agreement contains the full and complete agreement of the parties relative to its subject matter.

b. This Agreement may be amended only by a written agreement signed by both parties, except that Beaumont ACO may unilaterally amend this Agreement to comply with any legal requirements.

c. This Agreement may not be assigned by either party without the written consent of the other party.

d. In the performance of their respective duties and obligations hereunder, the relationship of the parties is that of independent contractors. Nothing in this Agreement shall be construed or be deemed to create any other relationship, including one of employment, agency or joint venture.

e. This Agreement shall be governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have duly executed this Physician Participation Agreement as of the dates set forth below.

PHYSICIAN

**OAKWOOD ACCOUNTABLE
CARE ORGANIZATION, LLC,
D.B.A. BEAUMONT ACO**

Signature: _____

By: _____

Name: _____

Its: _____

Date: _____

Date: _____

**Health Plans Physician Agrees to Participate in Through Beaumont
ACO**

(Please place an X next to those Plans you wish to access through Beaumont
ACO)

- Aetna Better Health _____
- Amerihealth _____
- Blue Care Network _____
- Blue Cross Complete _____
- BCBSM PGIP _____
- Health Alliance Plan (HAP) _____
- Humana _____
- McLaren Health Plan _____
- Michigan Complete Health _____
- Molina _____
- Multiplan _____
- Priority Health _____

Business Associate Addendum

The undersigned are parties to a Physician Participation Agreement (the "Agreement"). In the course of performing its obligations under the Agreement, Business Associate may perform services for or on behalf of Covered Entity (Physician/Provider) involving the Use and/or Disclosure of Protected Health Information (PHI). This Addendum sets forth the parties' obligations with respect to Business Associate's Use and Disclosure of PHI. Any ambiguity herein will be interpreted to permit compliance with the HIPAA Rules.

Definitions

- (a) HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
- (b) Terms Defined in HIPAA Rules. The following terms in this Addendum will have the meaning stated in the HIPAA Rules: Breach, Designated Record Set, Disclose/Disclosure, Individual, Notice of Privacy Practices, Protected Health Information (or "PHI"), Required By Law, Secretary, Security Incident, Unsecured Protected Health Information (or "Unsecured PHI"), and Use.

Obligations and Activities of Business Associate

Business Associate agrees to:

- (a) Use or Disclose PHI only as permitted or required by the Agreement or as Required By Law;
- (b) Use appropriate safeguards to prevent unauthorized Use or Disclosure of PHI, including, without limitation, implementing administrative, physical and technical safeguards that reasonably and appropriately prevent Use or Disclosure of PHI that is the subject of the Agreement;
- (c) Report to Covered Entity any Use or Disclosure of PHI not provided for by the Agreement of which it becomes aware, including any Breach of Unsecured PHI, and any Security Incident of which it becomes aware;
- (d) (i) require all its employees, contractors, subcontractors and agents that receive, use or have access to PHI to agree in writing to be bound by the same responsibilities, restrictions and conditions upon the Use and/or Disclosure of PHI that apply to Business Associate under this Agreement, and (ii) upon Covered Entity's request, to provide such written agreements for Covered Entity's inspection;
- (e) Make available PHI in a Designated Record Set to the Covered Entity as necessary to allow the Covered Entity respond to an Individual's request for access to his/her PHI;
- (f) Make any amendment(s) to PHI as directed or agreed to by Covered Entity;
- (g) Maintain and make available the information required to provide an accounting of Disclosures to the Covered Entity as necessary to satisfy Covered Entity's obligations under the HIPAA Rules;
- (h) Request, Use, and/or Disclose only the amount of PHI that is minimally necessary to perform its obligations under the Agreement;
- (i) To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s); and
- (j) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

Covered Entity's Responsibility

Covered Entity will notify Business Associate of (i) any limitation(s) in Covered Entity's Notice of Privacy Practices; (ii) any changes in, or revocation of, the permission by an Individual to Use or Disclose his or her PHI; and/or (iii) any restriction on the Use or Disclosure of PHI that Covered Entity has agreed to or is required to abide by, to the extent that any of these may affect Business Associate's Use or Disclosure of PHI.

Term and Termination

Either party may terminate the Agreement if it determines the other has violated a material term of the Agreement and such breach remains uncured within the time-specified by the non-breaching party, which will give written notice specifying the breach. This Agreement will terminate automatically if there is no underlying agreement in effect that requires Use and/or Disclosure of PHI by Business Associate. Upon termination of this agreement, Business Associate will return or destroy all PHI in its possession maintained or stored in any form or media, and retain no copies, if it is feasible to do so. If return or destruction is not feasible, Business Associate agrees to extend all protections contained in this Agreement to its Use and or Disclosure of any retained PHI following termination of this Agreement, and to limit all further Uses and/or Disclosures to those purposes that make the return or destruction of the PHI not feasible.

Covered Entity (Physician/Provider)

Signature

Print Name

Date: _____

Business Associate

Signature

Beaumont ACO

Print Name

Date: _____



Frequently Asked Questions

1. What is the Beaumont ACO (BACO)?

The BACO, originally established in December of 2010 as the Oakwood Accountable Care Organization, LLC, is a partnership between Beaumont Health physicians and hospitals designed to better position its members in the new healthcare environment. This new competitive environment will require teamwork from all plus the need to take responsibility for outcomes and costs for a defined patient population.

2. Why did the name change to the Beaumont ACO?

Beaumont Health was established as a result of three legacy organizations (Beaumont, Botsford and Oakwood) becoming one healthcare system. The Oakwood ACO was a successful physician-hospital organization with proven structure, systems, contracts and outcomes with obvious ties to the legacy Oakwood Healthcare System. It has been recognized that this success could be parlayed throughout Beaumont Health by allowing physicians associated to all eight of the Beaumont Health hospitals join the ACO. This recognition identified our need to change the organization's name to better reflect its membership.

3. What are the requirements to become a member of the BACO?

All interested providers must 1) be a member in good standing on the medical staff of at least one Beaumont Health hospital; 2) agree to abide by the Beaumont ACO policies and procedures as they are developed by the Board of Managers; 3) make a one-time capital contribution of \$250 if that contribution hasn't already been paid to the Oakwood ACO; 4) have, or have plans to acquire, information technology systems supporting electronic medical records; and 5) participate in at least one managed care plan contract through the Beaumont ACO. Plans include: Aetna Better Health, Amerihealth, Blue Care Network, Blue Cross Complete, BCBSM PGIP, HAP, Humana, McLaren Health Plan, Medicare Shared Savings Program, Michigan Complete Health, Molina, Multiplan and Priority Health.

4. What is the Mission of the BACO?

The mission of the BACO is to provide services, tools and knowledge management necessary to position BACO members with the opportunity to maximize clinical value, third-party payer contracts and incentive opportunities.

5. What is the Vision of the BACO?

The vision of the BACO is to be the preferred means of alignment between the physicians, Beaumont Health and other community partners to become the leader in clinical integration, care management and payer/purchaser contracting in

6. What are the guiding principles of the BACO?

Our guiding principles include transparency, trust, physician partnership and active physician leadership in governance. The BACO is governed by a 17 member board made up of 13 physicians and four Beaumont Health executives.

7. How are the BACO board members chosen?

The BACO board members are elected by our membership at large at the Annual Meeting held every January. Primary care physicians vote for primary care candidates and specialist physicians vote for specialist candidates. Approximately one-third of the Board Manager seats are up for election each year to ensure consistency within leadership.

8. Does the BACO have contracts with third-party payers?

Yes, the BACO currently has contracts with the following payers: Aetna Better Health, Amerihealth, Blue Care Network, Blue Cross Complete, Health Alliance Plan (HAP), Humana, McLaren Health Plan, Michigan Complete Health, Molina, Multiplan, and Priority Health.

9. Are there any special programs opportunities that physicians can take advantage of?

Yes, the BACO currently has relationships with Blue Cross Blue Shield of Michigan (BCBSM) for their Physician Group Incentive Program (PGIP), and with the Centers for Medicare and Medicaid Services (CMS) for their Medicare Shared Savings Program (MSSP).

10. Are there any meaningful statistics about the BACO that can be shared?

In 2016 there were 130,726 covered lives in contracts /programs and \$8,096,035 paid to physicians in reimbursement uplifts and incentive payouts. Additionally, we are among the nation's top performing ACOs in the Medicare Shared Savings Program (MSSP) with the Center for Medicare and Medicaid Services (CMS), generating roughly \$50 million dollars in savings for CMS over the first contract term.

11. Why do I need to make a capital contribution payment of \$250 to join the BACO?

The BACO is a limited liability company (LLC) in which each physician member owns one unit of the organization. While profits and losses of the LLC flow through to the members, the BACO is expected to retain only limited dollars beyond operating expenses, with the majority of the funds being passed on to providers who earn them for meeting criteria for high quality and improved patient outcomes.

12. Why am I required to make this payment?

Each physician payment represents one "ownership share" in the BACO (the shares are non-transferrable and cannot be bought or sold). Over 50% of the BACO is owned by individual physicians (majority owners) and less than 50% is owned by Beaumont Health (minority owners). Each physician must make a \$250 contribution to maintain this ownership balance.