

PHYSICIAN ORGANIZATION OF MICHIGAN ACO, LLC

RESOLUTIONS OF THE BOARD OF MANAGERS

September 22, 2017 Meeting

Approval of Pharmacy Consultation Services Provided to Quality Review Organizations as Reasonably Related to the Purposes of the Shared Savings Program

WHEREAS, the Regents of the University of Michigan, on behalf of University of Michigan Health System (“**UMHS**”), provides certain management and administrative services to Physician Organization of Michigan ACO, LLC (“**POM ACO**” or “**Company**”) pursuant to a Management Services Agreement between the parties, dated April 22, 2016 (“**MSA**”);

WHEREAS, such services are necessary and essential to the proper functioning of Company, and include services such as management, information technology, legal, and compliance support;

WHEREAS, UMHS also provides pharmacy consultation services pursuant to the MSA;

WHEREAS, the pharmacy consultation services provided to the Quality Review Organizations (“**QROs**”) can be deemed to be “**remuneration**” provided to the QROs, and indirectly, to the physician groups and individual physicians associated with the QROs, as such term is defined by the federal fraud and abuse laws, including the federal Anti-Kickback Statute;

WHEREAS, the provision of pharmacy consultation services could be deemed to establish a “**financial relationship**” with referring physicians as such phrase is defined by the Physician Self-Referral Law and its implementing regulations;

WHEREAS, as of January 1, 2018, UMHS desires to provide, and POM ACO desires to accept, the provision of pharmacy consultation services outside of the previously established process whereby the pharmacy consultation services were budgeted annually under the MSA;

WHEREAS, the continued provision of pharmacy consultation services to the QROs at no cost is necessary because this support helps advance patient care and medication management through integration of pharmacists within the health care team at the physician organization and practice level;

WHEREAS, given the status of this program, only minimal, periodic support will be required and given the periodicity and level of support required, POM ACO no longer wishes to require QROs to make payment for such services given the effort associated with ensuring appropriate documentation, recordkeeping and other administrative burdens;

WHEREAS, POM ACO desires to utilize the ACO Participation Waiver to recognize that the provision of pharmacy consultation services at no cost to the QROs, given the minimal level of support required, is reasonably related to the purposes of the Medicare Shared Savings Program, including meeting the clinical integration requirements of the Shared Savings Program, by

ensuring the availability of medication therapy management that is beneficial to Medicare beneficiaries and is in furtherance of the quality goals of POM ACO.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

RESOLVED, the Board hereby makes a *bona fide* determination that the continued provision of pharmacy consultation services by UMHS to Company is reasonably related to the purposes of the Shared Savings Program; and

FURTHER RESOLVED, the Board recognizes that pharmacy consultation services will be provided to QROs without charge by UMHS given much of this work has already been implemented and only minimal, periodic, ongoing maintenance is required from UMHS; and

FURTHER RESOLVED, that Company shall publicly disclose the provision of pharmacy consultation services to Company in a form and manner that is consistent with CMS regulatory guidance to ensure transparency of this arrangement.