Atrius Health, Inc. participates in the Next Generation Accountable Care Organization (NGACO) Model under a contract with the Centers for Medicare & Medicaid Services (“CMS”) Center for Medicare and Medicaid Innovation (“CMMI”). The Department of Health and Human Services provides certain waivers of federal fraud and abuse laws pursuant to a Notice of Waiver of Certain Fraud and Abuse Laws in Connection with the Next Generation ACO Model dated December 9, 2015, as amended December 29, 2016 and December 12, 2018, including the Next Generation ACO Participation Waiver (“Participation Waiver”) and the Next Generation ACO Waiver for Patent Engagement Incentives. On May 8, 2019, the Atrius Health Board of Trustees, which also serves as the NGACO governing body, made a bona fide determination that the Arrangement described below is reasonably related to the purposes of the Atrius Health NGACO and voted to approve the Arrangement.

In an effort to reduce the cost of care, reduce hospitalizations, and improve the overall care that Atrius Health’s NGACO-aligned Beneficiaries receive, Atrius Health has entered into a contractual agreement with Medically Home Group, LLC to coordinate and facilitate the provision of hospital level acute and chronic care services in the home for NGACO-aligned Beneficiaries. Under this arrangement a NGACO Participating Provider may admit clinically eligible Beneficiaries to the Medically Home Program. Under the Medically Home Program, Atrius Health provides (i) acute care in the patient’s home over what is typically a 30-day episode of integrated acute and post-acute care through the use of certain technologies connected to a medical command center, coordinated by Medically Home, and led by Atrius Health physicians working with other clinicians available 24/7; (ii) a rapid-response supply chain network to deliver care and services into the patient’s home; and (iii) monitoring and communication technology in the home connected with the medical command center (the “Arrangement”).

Under the Arrangement, Medicare covered services, including certain drugs that may be prescribed, are billed by the service providers, and Beneficiaries would continue to be responsible for any applicable cost-sharing amounts. However, in accordance with the Waiver for Patient Engagement Incentives for in-kind incentives, Beneficiaries are not charged for non-covered items and services that are provided by Atrius Health through the Medically Home Program, as there is a reasonable connection between these items and services and the medical care of the Beneficiary, and such items and services will advance the clinical goals set forth in the Waiver for Patient Engagement. Under the Arrangement, Medically Home provides certain services either for a per-patient fee or for free, and Medically Home may participate in some shared savings or losses. The Arrangement is structured to meet the all of the applicable Waiver conditions and is, therefore, protected under the Next Generation ACO Participation Waiver.