

**Re: Pioneer ACO Changes for PHP, PPP, SMPC**

Dear Provider,

The PHP, PPP, and SMPC boards have made the decision to transition the groups out of the Pioneer Accountable Care Organization (PACO) program structure and into the Medicare Shared Savings Program (MSSP) structure. The MSSP is another ACO program through CMS that carries less financial risk and we are happy we will be able to continue the ACO structure with CMS, just under a different program name! There are several factors that played into the board's decision including:

- Data lag from CMS
- Benchmarking variances
- Geographical determinations not considered
- Maintaining financial viability for the IPAs

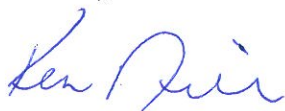
We predict that several of the 32 Pioneer ACOs will leave the program and some may move into the MSSP model. PHP has been working closely with CMS to transition from the Pioneer ACO model to the shared savings model. We are still working out the specific details, but the intent at this point is to remain in the year one, no financial risk model of the Pioneer ACO through the end of 2013 and begin the MSSP on January 1, 2014. Creating a smooth transition between programs will allow us to continue receiving data from CMS on our aligned beneficiaries and maintain the current services offered to PACO patients, such as care management.

Our intent is to ensure continuity for the providers and patients as we transition between the two programs. The day-to-day expectations for the population's care will not change as we change models.

This information will not be released until Tuesday, July 16 at the earliest. PHP will send a press release once we have the go-ahead from CMS and this information could be in several headlines in the following weeks.

If you have questions about the PACO or MSSP participation, please contact Glenn Smith at 720.612.6760 or [Glenn.Smith@phpmcs.com](mailto:Glenn.Smith@phpmcs.com).

Sincerely,



Ken Nielsen  
PHP President & CEO