

# M E M O

**TO:** MultiCare Medical Staff

**FROM:** Claire Spain-Remy, MD – Senior Vice President, MultiCare Medical Associates  
Christopher Kodama, MD – Medical Vice President, Clinical Operations

**DATE:** April 15, 2014

**SUBJECT:** **ACO Development and Update**

---

As a result of the Affordable Care Act (ACA) and other industry dynamics, some health systems have moved forward with establishing Accountable Care Organizations (ACO). ACOs are provider-led organizations that accept accountability for overall medical costs and quality of care for a defined population.

For the past few years, we have been evaluating various options to determine the best approach for MultiCare, our medical staff, our patients and our community. At the same time, we have been further developing our care management capabilities, an important component of a successful ACO.

We are pleased to share with you that we are now ready to take the next steps:

- Developing the MultiCare ACO infrastructure
- Expanding our collaboration with our employed, contracted and aligned independent community providers
- Creating a Clinically Integrated Network (CIN). A CIN is the network of providers inside the ACO which is responsible for delivering care to the members/patients covered under the ACO within defined cost and quality targets.
- Demonstrating our ability as a Clinically Integrated Network to take care of populations of people.

We are committed to accomplishing these goals in 2014. We will keep you informed throughout the year on our progress.

We also want you to know that several payers are working with us on ACO products for the Medicare Advantage, commercial and exchange markets. You may be hearing about these in the near future. At present, these agreements are between the payers and MultiCare Health System. However, as we form our ACO entity and make progress on developing our Clinically Integrated Network, we expect to bring these existing payer agreements and any new ACO agreements under that structure.

We are all learning together as we move forward into this complex new arena. If you have questions, please feel free to contact us.

Thank you.

