

— VALUE-BASED HEALTH CARE —



Succeeding in a
Value-Based Health
Care System

ROPES & GRAY

THE SHIFT TOWARD VALUE-BASED HEALTH CARE (VBC) presents unprecedented opportunities and challenges for health care organizations. It requires extensive planning, significant financial investment

and careful consideration of which of the many alternative payment models is best suited for the organization's existing and/or planned infrastructure, geography, market position and patient population.

WHAT WE DO

We help clients from every segment of the health care industry at every stage of their transition to value-based health care, from the initial evaluation of appropriate payment models (including all CMS innovation initiatives) to network formation, integration and contracting. Our work includes advising on:

- Value-based payment models:
 - Shared savings (Medicare/Medicaid and commercial accountable care organizations (ACOs))
 - Bundled payments (e.g., BPCI, CJR)
 - Pay-for-performance
 - Patient-centered medical home
- Hospital/physician alignment
- Reimbursement complications of value-based payment models
- Formation of risk-bearing organizations, including development of risk allocation and gainsharing methodologies that are legally compliant
- Joint venture and other collaborations related to implementation of value-based programs
- Development of health information technology (HIT) capabilities
- Establishment, monitoring and assessment of compliance programs
- Creation of template agreement for provider and supplier contracting development
- Development of effective contractual relationships with federal, state and commercial payors to leverage capabilities and performance

- Identification and development of strategic opportunities and alliances for nonproviders
- Compliance with state and federal laws and regulations complicated by value-based arrangements: anti-kickback, self-referral, gainsharing, privacy & security, licensure and certification, etc.
- Development of integrated delivery systems

WHO WE SERVE

- For-profit and not-for-profit health systems
- Academic medical centers
- Ancillary providers (home health/long-term care/hospice/physical therapy/behavioral health/dialysis companies and other post-acute care providers)
- Managed care organizations
- Private equity firms that invest in the health care sector
- Multi-provider networks, physician organizations, physician groups, and professional service providers
- Practice management companies
- Biotechnology and pharmaceutical companies
- Digital health and health technology companies
- Medical device companies

BY THE NUMBERS

30%

Proportion of Medicare payments tied to VBC payment models in 2016

50%

Proportion of Medicare payments that will be tied to VBC payment models by 2018

7,000

Approximate number of organizations participating in BPCI

\$10B

Amount appropriated by CMS annually for VBC-related innovation efforts over the next 10 years

“Ropes & Gray’s health care group advised Daughters of Charity Health System in a transaction that the attorney general’s office described as “the largest and most complex nonprofit hospital transaction in California history.”

OUR TRACK RECORD

Our experience includes advising:

- **ADVOCATE AURORA HEALTH CARE** in a joint venture with Foxconn to deliver a new model of preventative care through a digital wellness platform that consolidates health, medical, genomics, environmental and wearable Internet of Things (IoT) device data and utilizes predictive analytics and AI machine learning to enable personalized health care solutions.
- **A LEADING PHARMACEUTICAL COMPANY** on a proposed value-based health care initiative for one of its products. This includes evaluating the proposal in the context of the regulatory framework as well as current value-based trends, and will help to create a blueprint for a program to bring the company to the forefront of value-based pharma programs.
- **WAKE FOREST BAPTIST MEDICAL CENTER/CHES** on the sale of part of its population health assets to Carolina Health System, with the goal of creating a joint venture population health management company. The company will allow members to build, scale and share the infrastructure, capabilities and services required for population health management; succeed with value-based payment models; and collectively deliver superior value to their communities.
- **HEALTH NEW ENGLAND, INC.** in its successful bid for participation in MassHealth’s new accountable care organization (ACO) initiative and on a variety of innovative arrangements.
- **COALITION TO TRANSFORM ADVANCED CARE**, a nonprofit that aims to better serve the needs of people with advanced illnesses, on regulatory and transactional matters associated with its rollout and implementation of its advanced care model for home-centered care.
- **PARTNERS HEALTHCARE SYSTEM, INC.** in the negotiation of its software license for its systemwide, comprehensive EHR technology. This contract was one of the biggest in HIT history.
- **THE CHILDREN’S LAW CENTER** on a broad range of issues, such as navigating the requirements of the recently issued Medicaid managed care regulations, the structuring of a value-based payment arrangement in a potential medical-legal partnership ACO and the HIPAA implications for each option.
- **1LIFE HEALTH CARE** and its clinical affiliate One Medical in a strategic affiliation with several prominent health systems and academic medical centers across the country. The objectives of these strategic affiliations are for the parties to leverage One Medical’s innovative and technology-driven approach to primary care so that the parties can jointly develop and expand their collective primary care offerings and build on population health activities, such as telehealth and disease management.
- **A LEADING MEDICAL DEVICE MANUFACTURER** in connection with the development of innovative business models and structures to foster expansion into ventures beyond its traditional market. These ventures and structures focus on partnerships with providers and value-based initiatives to improve efficacy of care, and include the development of ownership and joint venture relationships with providers and provision of management and related services to providers.
- **HARVARD PILGRIM HEALTH CARE** (“HPHC”) in its strategic affiliation discussions with Partners Health System (“PHS”). PHS and HPHC have developed a vertically-integrated operating model whereby PHS would restructure its operations, and HPHC would join the system, to reorient health care payment and delivery and focus on population health management.
- **WEST PENN ALLEGHENY HEALTH SYSTEM** on its affiliation with Highmark, one of the largest U.S. Blue Cross-Blue Shield insurers, an affiliation described as a “game changer” by *Modern Healthcare* and *The Wall Street Journal*.
- **EMORY HEALTHCARE** in a collaboration with Kaiser Permanente to develop a new care model that provides Kaiser Permanente members with a fully integrated health care experience and advances patient care.
- **COORDINATED BEHAVIORAL CARE, INC.** in the formation of an independent practice association (“IPA”) composed of New York City’s largest behavioral health care providers. The purpose of the IPA is to operate as a vehicle through which CBC-affiliated providers can pursue unique clinical and financial integration activities, such as value-based contracting.

“The firm has *extensive knowledge in all aspects of health care* and provides expertise and guidance regarding any legal issue which we may confront on a daily basis.” —Chambers USA

CONTACTS

PRACTICE GROUP LEADERS

Deborah Gersh
Partner, Chicago
 deborah.gersh@ropesgray.com
 +1 312 845 1307

Timothy McCrystal
Partner, Boston
 timothy.mccrystal@ropesgray.com
 +1 617 951 7278

Mark Barnes
Partner, Boston
 mark.barnes@ropesgray.com
 +1 617 951 7827

Michael Beauvais
Partner, Boston
 michael.beauvais@ropesgray.com
 +1 617 951 7601

Eve Brunts
Partner, Boston
 eve.brunts@ropesgray.com
 +1 617 951 7911

Thomas Bulleit
Partner, Washington, D.C.
 tom.bulleit@ropesgray.com
 +1 202 508 4605

John Chesley
Partner, San Francisco
 john.chesley@ropesgray.com
 +1 415 315 6394

Alison Fethke
Counsel, Chicago
 alison.fethke@ropesgray.com
 +1 312 845 1320

Brett Friedman
Partner, New York
 brett.friedman@ropesgray.com
 +1 212 596 9486

Deborah Gardner
Partner, Boston
 deborah.gardner@ropesgray.com
 +1 617 951 7207

William Knowlton
Partner, Boston
 william.knowlton@ropesgray.com
 +1 617 951 7496

Michael Lampert
Partner, Boston
 michael.lampert@ropesgray.com
 +1 617 951 7095

Anne Ogilby
Partner, Boston
 anne.ogilby@ropesgray.com
 +1 617 951 7472

Adrienne Ortega
Partner, Boston
 adrienne.ortega@ropesgray.com
 +1 617 235 4805

Stephen Warnke
Partner, New York
 stephen.warnke@ropesgray.com
 +1 212 841 0681

Jane Willis
Partner, Boston
 jane.willis@ropesgray.com
 +1 617 951 7603

MARKET PERCEPTION

- **Best Lawyers in America 2019**
 Named 9 Ropes & Gray attorneys “Lawyer of the Year.”
- **Chambers USA 2019**
 Ranked in tier 2 for Healthcare nationwide.
- **The Legal 500 US 2019**
 Ranked highly for “Healthcare: Service Providers,” with two attorneys listed as “Leading Lawyers” and seven attorneys recommended as leaders in the field. Two attorneys named to the “Hall of Fame.”
- **Chambers USA 2015**
 Named Health Care Firm of the Year.

VISIT OUR ONLINE HUB

To help clients across the sector assess and transition to value-based payment models, we have launched a resource center for articles, tools, and other valuable materials dedicated to value-based health care, all organized by industry segments and topics, at ropesgray.com/vbhc.