



**Title:** Prohibition of Certain Required Referrals and Cost Shifting for Medicare Shared Savings Program

**Approved by:** Scripps Accountable Care, LLC  
Management Board

**Approval Date:** 1/20/2017

## PURPOSE

The following policy applies to the Scripps' Accountable Care Organization Medicare Shared Savings Program

## DEFINITION

1. ACO participant. Means an individual or group of ACO provider(s)/supplier(s), that is identified by a Medicare-enrolled TIN, that alone or together with one or more other ACO participants comprise(s) an ACO, and that is included on the list of ACO participants
2. ACO provider/supplier. Means an individual or entity that
  - a. Is a provider or a supplier
  - b. Is enrolled in Medicare;
  - c. Bills for items and services it furnishes to Medicare fee-for-service beneficiaries under a Medicare billing number assigned to the TIN of an ACO participant in accordance with applicable Medicare regulations; and
  - d. Is included on the list of ACO providers/suppliers that is required
3. At risk beneficiary. Means, but is not limited to, a beneficiary who
  - a. Has a high risk score on the CMS-HCC risk adjustment model
  - b. Is considered high cost due to having two or more hospitalizations or emergency room visits each year
  - c. Is dually eligible for Medicare and Medicaid
  - d. Has a high utilization pattern
  - e. Has one or more chronic condition(s)
  - f. Has had a recent diagnosis that is expected to result in increased cost
  - g. Is entitled to Medicaid because of a disability
  - h. Is diagnosed with a mental health or substance abuse disorder

## PROCEDURE

1. ACO participants and ACO provider/suppliers will not, as a condition of participation in the Scripps ACO, be required to refer Federal health care business that is being or would be provided to beneficiaries who are *not* assigned to the ACO.
2. Scripps ACO, ACO participant and ACO provider/supplier shall not require that beneficiaries be referred only to other Scripps ACO participants and ACO provider/suppliers, except under the following conditions:



**Scripps Accountable Care Organization, LLC  
Standard Operating Procedure**

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- Referrals made by employees or contractors of an ACO participant who are operating within the scope of their employment or contractual agreement to the employer or contracting entity provided that employees and contractors remain free to make referrals without restriction or limitation if the beneficiary expresses a preference for a different provider, practitioner, or supplier
  - The beneficiaries' insurer determines the network of providers, practitioners, and/or suppliers
  - The referral is in the beneficiary's best medical interest in the judgment of the referring party.
3. The Scripps ACO, ACO participants and ACO provider/suppliers will not engage in referral activities or patterns or other means in an effort to avoid "at risk" beneficiaries.