

Press Release

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Ellis Medicine, St. Peter's Health Partners to Collaborate with Physicians to Create Joint Clinically Integrated Network

Initiative will bring private physicians, health systems, other providers together in innovative organization to create new ways of providing health services that will result in higher quality, better health and greater value for Capital Region residents

Albany & Schenectady, NY – St. Peter's Health Partners (SPHP) and Ellis Medicine (Ellis), two of this region's largest and most respected health care systems, announced today they will form a new regional alliance that will provide the platform for the two systems to explore a variety of collaborative opportunities. This will include the creation and operation of the Capital Region's first innovative Clinically Integrated Network (CIN) that will focus on access, quality, population health and health costs.

A Clinically Integrated Network (CIN) is a partnership among physicians, hospital(s) and/or health system(s), collectively committed to active, ongoing clinical initiatives designed to control costs and improve the quality of health care services. The new physician-led CIN will allow private physician groups, SPHP and Ellis to work together in coordinating and improving the delivery of health care, as well as participating in new methods of reimbursement. Ellis Medicine and SPHP are creating the initial legal structure and funding the information technology and administrative infrastructure that will help establish this new physician-driven health system partnership.

The new CIN will examine a number of key opportunities for collaboration including creation of an Accountable Care Organization (ACO) that would apply to become part of the federal government's Medicare Shared Savings Program (MSSP). Other key objectives of the new venture are improving the patient experience, improving the health of the population, and creating more affordable health care (the "Triple Aim" as defined by the Institute for Healthcare Improvement). As health care evolves, health care payments are shifting to value-based models of health care delivery. This new venture will prepare participating physician groups, SPHP and Ellis for this changing payment system, including joint contracting and shared incentive-based payments.

It is envisioned and encouraged that private physician groups, other health providers, and other health systems will join Ellis and SPHP in this bold, innovative initiative. Active discussions have begun with other health systems and providers. St. Mary's Healthcare, Amsterdam is the first health system to express plans to become another critical partner in the regional alliance.

This new venture is not a merger of the two regional health care systems nor of other systems that may join in the future.

Both SPHP and Ellis will continue to maintain independent governance, organizations and assets in other areas of their operations. In developing this partnership, the two organizations are discussing opportunities for greater cooperation from a clinical, business and financial perspective, but not a corporate merger.

The announcement was made at a press conference held today at Ellis Hospital, Nott Street in Schenectady. Press conference participants included James W. Connolly, president & CEO of Ellis Medicine, and James Reed, president & CEO, St. Peter's Health Partners.

"To further meet the challenges of health reform, the boards and senior leadership of both Ellis Medicine and St. Peter's Health Partners have been in discussions to explore how the two systems might further collaborate," said Connolly. "Our two respective systems aim to be leaders in transforming health care and reining in uncontrolled health care costs."

"St. Peter's Health Partners and Ellis Medicine both have legacies of leadership and innovation in developing and implementing collaborations that improve access to, and the delivery of, quality health care," said Dr. Reed, president & CEO of St. Peter's Health Partners. "This is an exciting initiative that carries a tremendous amount of potential for the future of health care in our region."

To oversee the new venture, in January 2014 the governing boards of SPHP and Ellis approved creation of a new limited liability company (LLC), to be called Innovative Health Alliance of New York.

Innovative Health Alliance of New York will provide the legal structure for Ellis and SPHP to support creation and implementation of the comprehensive clinical integration program, and participation in risk-based reimbursement contracts. Innovative Health Alliance of New York will facilitate and support the management of services, quality and risk assumption for population health. This venture would seek and respect the delivery of services in a manner consistent with the missions, traditions and ethical standards of the providers, both now and in the future.

Together, SPHP, Ellis and partnering physicians will form a CIN that will work with payers to create payments based on quality metrics. The incentive-based payments will then be distributed to the physicians based these specialty-specific quality metrics.

The Medicare Shared Savings Program (MSSP) was created under the Affordable Care Act to help health care providers better coordinate care for Medicare fee-for-service beneficiaries through accountable care organizations, or ACOs. The MSSP is not a Medicare Advantage plan or an HMO. Beneficiaries with fee-for-service Medicare will still have the right to use any doctor or hospital that accepts Medicare, at any time.

An accountable care organization (ACO) is a network of physicians and other health care providers who are willing to work together and accept responsibility to improve quality and reduce the costs of health care services for a defined population. It is believed that greater clinical integration, collaboration and shared accountability among a network of independent physicians, employed physicians, hospitals, and regional partners will create better health outcomes.

*Innovative Health Alliance of New York, LLC will be governed by a board of directors, which will be predominantly comprised of physicians. The new organization is designed to control health care costs and ensure patient care quality by enabling **private physicians, Ellis Medicine, St. Peter's Health Partners and other providers** to work together in joint contracting and share incentive-based payments.*

Ellis Medicine is a 438-bed community and teaching health care system serving New York's Capital Region. With more than 3,300 employees, more than 600 affiliated physicians, four campuses (Ellis Hospital, Ellis Health Center, Bellevue Woman's Center and Medical Center of Clifton Park), seven additional service locations, a nursing school and two residency programs, Ellis Medicine provides a lifetime of care for patients. Follow Ellis Medicine on [Facebook](#), [Twitter](#) or [YouTube](#). Learn more at www.ellismedicine.org.

St. Peter's Health Partners, the region's largest private-sector employer, has more than 12,500 employees in more than 165 locations across seven counties. The system has an annual budget of nearly \$1.3 billion. St. Peter's Health Partners was created on October 1, 2011 by the merger of Northeast Health, St. Peter's Health Care Services and Seton Health. The merger created the region's largest and most comprehensive not-for-profit network of high-quality, advanced medical care, primary care, rehabilitation and senior services. These state-of-the-art services and programs are provided through Albany Memorial Hospital and St. Peter's Hospital in Albany; Samaritan Hospital and St. Mary's Hospital in Troy; Sunnyview Rehabilitation Hospital in Schenectady; as well as The Eddy system of continuing care and The Community Hospice. It also includes St. Peter's Health Partners Medical Associates, one of the region's largest multi-disciplinary physician group practices with more than 350 physicians and other advanced providers. www.sphp.com