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LTC ACO RECEIVES POSITIVE RECONCILIATION AND SETTLEMENT UNDER THE MEDICARE SHARED SAVINGS PROGRAM (MSSP)

[Kennett Square, PA] – December 1, 2019 – LTC ACO, the only post-acute care sponsored Accountable Care Organization (ACO) in the United States, recently received a positive reconciliation and settlement under the MSSP for the 2018 performance year and as a result, generated income for the first time ever.

In 2016, LTC ACO, formerly known as Genesis Healthcare ACO, LLC, began participating in the MSSP through Genesis HealthCare's Genesis Physician Services (GPS) division. GPS, the only captive SNFist company in the skilled nursing industry, has physicians, physician assistants and nurse practitioners who make more than half a million visits annually to both short- and long-stay patients, helping improve overall healthcare quality and reduce unnecessary hospital readmissions.

2018 Performance Year

During 2018, the Company managed approximately 6,400 Medicare fee-for-service beneficiaries under the MSSP with annualized Medicare spend of more than \$155 million. In 2018, the MSSP required Genesis to save at least 3.2% of the total Medicare spend under management to share in up to 50% of the savings with Centers for Medicare and Medicaid Services (CMS), while assuming no downside risk. In August 2019, Genesis was informed by CMS that it reached the minimum savings rate set by CMS required for gain share. As a result, in the third quarter of 2019, Genesis recognized MSSP income of approximately \$1.7 million, net of expenses and provider distributions.

2019 Performance Year

During the first six months of 2019, the Company continued to operate under its first MSSP agreement with CMS. Effective July 1, 2019 through December 31, 2024, the Company entered into its second MSSP agreement with CMS. Under this agreement, the Company can share in up to 75% of the savings with CMS, but is also at risk for 40% of any increase in cost above the

defined targets, which is further capped at 15% of its annualized benchmark costs under management.

“With nearly four years of participation under the MSSP, we have gained valuable experience driving better outcomes and improved quality, managing episodic cost and developing in-house capabilities to predict program performance,” notes Jason Feuerman, President of LTC ACO. “In fact, we achieved a 3.8% savings rate and an 87% quality score in the 2018 MSSP performance year. The ACO also allows better alignment with our GPS physicians, creating a collaborative environment to achieve these goals. This alignment is something that has rarely been accomplished heretofore in the long-term care industry.”

The final reconciliation and settlement of the 2019 performance year is expected to be announced by CMS in the third quarter of 2020. The Company will continue to closely monitor and evaluate its estimated performance under the 2019 performance year and will adjust its estimated MSSP income.

Going forward, LTC ACO plans to bring its expertise to non-Genesis long-term care nursing facilities and clinical providers over the coming year. Membership in the LTC ACO can be significantly expanded, not only inside Genesis but also more broadly throughout the skilled nursing industry due to its track record of positive patient outcomes as well as positive financial results.

ABOUT LTC ACO

LTC ACO is the only post-acute care sponsored Accountable Care Organization (ACO) in the United States. LTC ACO, formerly known as Genesis Healthcare ACO, LLC, began participating in the MSSP through Genesis HealthCare’s Genesis Physician Services (GPS) division. GPS, the only captive SNFist company in the skilled nursing industry, has physicians, physicians assistants and nurse practitioners who make more than half a million visits annually to both short- and long-stay patients, helping improve overall healthcare quality and reduce unnecessary hospital readmissions. Visit our website at <https://www.ltcaco.com/>.

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