EXHIBIT A

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss. SUPERIOR COURT
CIVIL ACTION No. 14-2033-BLS2

COMMONWEALTH OF MASSACHUSETTS Plaintiff, v. PARTNERS HEALTHCARE SYSTEM, INC., SOUTH SHORE HEALTH AND EDUCATIONAL CORP., and HALLMARK HEALTH CORP., Defendants.	)

AMENDED FINAL JUDGMENT BY CONSENT

INTRODUCTION

WHEREAS, Plaintiff, the Commonwealth of Massachusetts (the "Commonwealth"), by and through its Attorney General, Martha Coakley, has filed a complaint (the "Complaint") in this action alleging unfair competition and/or unfair practices in violation of Massachusetts General Laws c. 93A, § 2 in connection with certain proposed transactions and contracting practices of Partners HealthCare System, Inc. ("Partners"), including Partners' proposed transactions to become the sole corporate member of South Shore Health and Educational Corporation ("SSHEC") and Hallmark Health Corporation ("HHC," and collectively with Partners and SSHEC, the "Defendants"), and Partners' joint negotiation of reimbursement rates from third-party payers on behalf of certain health care providers not owned or controlled by Partners, referred to herein as "Partners Contracting Affiliates";

WHEREAS, each of the Defendants, Partners, SSHEC and HHC, denies the allegations of the Complaint;

WHEREAS, the Commonwealth and the Defendants engaged in extensive negotiations concerning the Parties' positions related to the transactions and the conduct at issue in the Complaint, to determine if the Parties could reach agreement on terms that addressed the Commonwealth's concerns and permit the transactions to proceed under terms and conditions that mitigated the Commonwealth's concerns, and the Parties reached agreement on the comprehensive terms reflected in the Final Judgment by Consent that was filed with this Court on June 24, 2014;

WHEREAS, the Commonwealth and the Defendants engaged in subsequent negotiations that resulted in certain mutually acceptable amendments to the Final Judgment by Consent, which amendments are reflected in this Amended Final Judgment by Consent (the "Consent Judgment");

WHEREAS, the Commonwealth and all Defendants, by and through their attorneys, have consented to the entry of this Consent Judgment without trial or adjudication of any facts or law, and without this Consent Judgment representing any findings of fact nor establishing any legal conclusions, except as to jurisdiction of this Court and venue;

WHEREAS, each of the Defendants, without making any admission of wrongdoing or liability, acknowledges that this Court has subject matter jurisdiction over this action and personal jurisdiction over it and consents to the entry of this Consent Judgment in the above-captioned action;

WHEREAS, each of the Defendants waives all rights of appeal and each of the Defendants and the Commonwealth (the Defendants collectively with the Commonwealth, the

"Parties") also waives the requirements of Rule 52 of the Massachusetts Rules of Civil Procedure;

NOW, THEREFORE, based on the Joint Motion of the Parties for Entry of this Consent Judgment, and upon consent of the Commonwealth and Defendants, it is **HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

I. DEFINITIONS

1. "AMC" means an academic medical center that consists of a teaching hospital that provides tertiary and quaternary levels of care and its associated faculty physician practice group.

2. "AMC Community Physician" means an AMC Physician who provides health care services (other than call coverage or temporary and non-regular health care services) to patients at a Community Facility.

3. "AMC Contracting Component" means, collectively, the following Partners Providers: BWH; BWPO; MGH; MGPO; McLean Hospital; Spaulding Rehabilitation Hospital; Spaulding Hospital – Cambridge; and FRC, Inc. d/b/a Spaulding Nursing and Therapy Center North End and d/b/a Spaulding Nursing and Therapy Center West Roxbury. For the purposes of this definition, the AMC Contracting Component will include the main campus of each Partners Provider named in this Paragraph and all other facilities (wherever located) that are now or may hereafter be listed on the license issued to such Partners Provider by the Massachusetts Department of Public Health ("DPH") (or in the case of McLean Hospital by DPH or by the Massachusetts Department of Mental Health).

4. "AMC PCP" means an AMC Physician who (1) is a primary care, family practice or pediatric physician with his or her principal office located within the Metro Boston Core

Area, (2) is identified as a primary care physician ("PCP") by any of Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care or Tufts Health Plan and (3) has the following aggregate panel size enrolled in the commercial Health Insurance Products of these three Payers:

a. Pediatricians – aggregate panel size of more than 300;

b. Primary care or family practice physicians who practice at a BWH or MGH licensed community health center – aggregate panel size of more than 300; and

c. All other primary care or family practice physicians – aggregate panel size of more than 200.

Panel size for the purposes of this definition of AMC PCP will be determined based on the most recently available panel size data.

5. "AMC Physician" means any physician who is a member of, is employed by and/or is affiliated with or participates in BWH, BWPO, MGH or MGPO for Payer contracting; provided that the term "AMC Physician" shall not include any of the Harbor Physicians.

6. "Attorney General" or "Attorney General's Office" means the Massachusetts Office of the Attorney General.

7. "BWH" means The Brigham and Women's Hospital, Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used in this Consent Judgment, unless otherwise specifically indicated, the term "BWH" shall include the Boston, Massachusetts hospital campus operated by BWH pursuant to the hospital license issued by DPH and all other facilities operated by BWH on the same DPH license.

8. "BWPO" means Brigham and Women's Physicians Organization., Inc. and all of its subdivisions, officers, directors, trustees, partners, members, agents, servants and/or

employees (including its employed physicians and other health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in BWPO for Payer contracting (but excluding the Harbor Physicians).

9. "CDH" means Cooley Dickinson Hospital, Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used in this Consent Judgment, unless otherwise specifically indicated, the term "CDH" shall include the Northampton, Massachusetts hospital campus operated by Cooley Dickinson Hospital, Inc. pursuant to the hospital license issued by DPH and all other facilities operated by Cooley Dickinson Hospital, Inc. on the same DPH license.

10. "CDHCC" means Cooley Dickinson Health Care Corporation, Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees.

11. "CDPHO" means the Cooley Dickinson Physician Hospital Organization, Inc. As used in this Consent Judgment, unless otherwise specifically indicated, the term "CDPHO" shall include all of its Corporate Affiliates, subdivisions, officers, directors, trustees, partners, agents, servants and/or employees and all of the physician groups and physicians and other health care professionals who are members of, are affiliated with and/or participate in CDPHO for Payer contracting.

12. "Commonwealth" means Plaintiff, the Commonwealth of Massachusetts.

13. "Community Contracting Component" means, collectively, all of the Partners Providers and all of the Partners Contracting Affiliates that from time to time comprise the Partners Network other than (i) those Partners Providers that comprise the AMC Contracting Component and (ii) for the first eighty-four (84) months of the Component Contracting Term, those Partners Providers and Partners Contracting Affiliates that comprise the South Shore

Contracting Component and those Partners Providers and Partners Contracting Affiliates that comprise the Hallmark Health Contracting Component.

14. "Community Facility" means a facility or office located outside of the Metro Boston Core Area at which a Partners Provider or a Partners Contracting Affiliate provides health care services to patients. Notwithstanding its location inside the Metro Boston Core Area, the Parties acknowledge and agree that each of the facilities and offices of Faulkner Hospital constitutes a Community Facility. Although some facilities or offices outside the Metro Boston Core Area are or may be listed on the license issued by DPH to a Partners AMC, i.e., BWH or MGH, and therefore are or will be part of the AMC Contracting Component, for purposes of calculating the number of Community Physicians and AMC Community Physicians, such facilities and offices will be considered Community Facilities.

15. "Community Physician" means any physician (including Leased Physicians) who is employed by, is a member of and/or is affiliated with or participates for Payer contracting in any of the Partners Providers or Partners Contracting Affiliates that comprise the Community Contracting Component, the South Shore Contracting Component (including Harbor and the Harbor Physicians) or the Hallmark Health Contracting Component.

16. "Consent Judgment" means this Amended Final Judgment by Consent entered into by the Commonwealth, Partners, HHC and SSHEC.

17. "Contracting Component" means a subset of the health care provider organizations and entities that make up the Partners Network and which, for the purposes of this Consent Judgment, shall comprise under the circumstances described in Section IV.A. below a separate component for contracting with Payers.

18. "Cooley Dickinson Entities" means, collectively, CDH, CDHCC, all Corporate Affiliates of CDHCC, CDPHO and all Corporate Affiliates of CDPHO.

19. "Corporate Affiliate" means, as to any named organization or entity, any corporation, limited liability company, limited partnership or other organization or entity that directly or indirectly controls, is controlled by, or is under common control with the named organization or entity, where "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the corporation, limited liability company, limited partnership or other organization or entity whether through ownership of voting securities, membership interests, the power to elect or appoint directors, trustees or managers or otherwise. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Corporate Affiliate" shall include all of its subdivisions, stockholders, officers, directors, trustees, partners, agents, servants and/or employees.

20. "Defendants" means Partners, SSHEC and HHC.

21. "Designated Commercial Payers" means those Payers listed on Exhibit A and/or Exhibit E to Attachment A, as such Exhibits are amended from time to time in accordance with the terms of Attachment A.

22. "Eastern Massachusetts" means the Massachusetts counties of Essex County, Middlesex County, Suffolk County, Norfolk County, Plymouth County, Bristol County, Barnstable County, Dukes County, Nantucket County and Worcester County.

23. "Effective Date" means the date that this Consent Judgment is entered by the Court.

24. "Emerson Hospital" means Emerson Hospital and all of its Corporate Affiliates, subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used

in this Consent Judgment, unless otherwise specifically indicated, the term "Emerson Hospital" shall include the Concord, Massachusetts hospital campus operated by Emerson Hospital pursuant to the hospital license issued by DPH and all other facilities operated by Emerson Hospital on the same DPH license.

25. "Emerson PHO" means the Emerson Physician-Hospital Organization, Inc. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Emerson PHO" shall include all of its Corporate Affiliates and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees and all of the physician groups and physicians and other health care professionals who are members of, are affiliated with and/or participate in Emerson PHO for Payer contracting.

26. "Execution Date" means the date that all Parties to this Consent Judgment have executed it through signature by an authorized agent.

27. "Faulkner Hospital" means Brigham and Women's Faulkner Hospital Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Faulkner Hospital" shall include the Jamaica Plain, Massachusetts hospital campus operated by Faulkner Hospital pursuant to the hospital license issued by DPH and all other facilities operated by Faulkner Hospital on the same DPH license.

28. "FTE" as used in connection with the determination of the number of AMC Community Physicians, means full time equivalent calculated in the aggregate for each specialty using a twelve (12) month total of work relative value units (WRVUs) by specialty provided by all AMC Physicians at Community Facilities divided by the MGMA Community Specialty median WRVUs for each such specialty. The individual specialty FTE totals will

then be aggregated to indicate the total FTE number of "AMC Community Physicians" as of the end of each twelve (12) month period.

29. "General Inflation Index" means the Consumer Price Index, Northeast Urban Size A All Items Less Shelter, as published by the Bureau of Labor Statistics, as more specifically described in Attachment A.

30. "Hallmark Health Contracting Component" means, collectively, HHC, HHS, HHMA, Hallmark Health PHO (and its Corporate Affiliates) and all other health care provider organizations and entities that are now or may hereafter be Corporate Affiliates of HHC and/or HHS (including all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in such other HHC and/or HHS Corporate Affiliate for Payer contracting).

31. "Hallmark Health PHO" means the Hallmark Health Physician Hospital Organization, Inc., which is the successor by merger to the Melrose-Wakefield/Metro North Healthcare Alliance, Inc. and The Lawrence Organization, Inc. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Hallmark Health PHO" shall include all of its Corporate Affiliates, subdivisions, officers, directors, trustees, partners, agents, servants and/or employees and all of the physician groups and physicians and other health care professionals who are members of, are affiliated with and/or participate in Hallmark Health PHO for Payer contracting.

32. "Harbor" means Harbor Medical Associates, P.C. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Harbor" shall include all Corporate Affiliates of Harbor, all of its subdivisions, officers, directors, trustees, partners, members, agents, servants and/or employees (including its employed physicians and other

health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in Harbor for Payer contracting.

33. "Harbor Physicians" means, following the date (the "Harbor Acquisition Date") on which Harbor is acquired by BWPO, the physicians who are employed by or are members of Harbor (and in due course by BWPO) and who comprise the Harbor practice unit of BWPO from time to time after the Effective Date. For the purposes of this Consent Judgment, the Harbor Physicians will be considered Community Physicians and will be part of the South Shore Contracting Component notwithstanding the fact that the Harbor Physicians will in due course become employees and members of BWPO. In the event that at any time after the Harbor Acquisition Date BWPO proposes to transfer any Harbor Physician who was employed by or was a member of Harbor on the Harbor Acquisition Date to some other Partners Provider, Partners may seek agreement by the Attorney General to permit Partners to cease treating this physician as a Harbor Physician for purposes of this Consent Judgment by providing notice of the request to the Attorney General pursuant to Section X.A. of this Consent Judgment; after receiving notice, the Attorney General shall meet with Partners and confer on the request which shall be determined based on Partners' making a showing that it would be clinically and/or administratively burdensome and impractical to continue to treat such physician as a Harbor Physician. If the Attorney General does not agree with Partners' request, Partners may petition the Court to grant the request.

34. "Health Insurance Product" means any of the various health insurance plans or products and/or health benefit plan designs offered by any Payer, including but not limited to tiered network plans, limited network plans, self-insured health plans, indemnity plans,

preferred provider organization plans ("PPO"), health maintenance organization plans ("HMO") and point of service plans ("POS").

35. "HHC" means Hallmark Health Corporation and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees.

36. "HHMA" means Hallmark Health Medical Associates, Inc. and all of its subdivisions, officers, directors, trustees, partners, members, agents, servants and/or employees (including its employed physicians and other health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in HHMA for Payer contracting.

37. "HHS" means Hallmark Health System, Inc., and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used in this Consent Judgment, unless otherwise specifically indicated, the term "HHS" shall include the Melrose-Wakefield Hospital campus and the Lawrence Memorial Hospital campus operated by HHS pursuant to the hospital license issued to HHS by DPH and all other facilities operated by HHS on the same DPH license.

38. "Hospital" means any hospital licensed under Massachusetts General Laws c. 111, § 51, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under Massachusetts General Laws c. 19, § 19.

39. "HPC" means the Massachusetts Health Policy Commission established by Chapter 224 of the Acts of 2012.

40. "Leased Physician" means a physician that is in a so-called "leased" contractual arrangement, directly or through the physician group that the physician is a member, employee or affiliate of, with another health care provider organization or entity (the "Lessee Provider").

Under a leased contractual arrangement, the Lessee Provider bills Payers for services performed by the Leased Physician at the rates specified in the Lessee Provider's Payer Contracts. As used in this Consent Judgment, a Leased Physician will be considered to be "affiliated with" its Lessee Provider for Payer contracting.

41. "Medical Inflation Index" means Consumer Price Index, Northeast Urban Size A Medical, as published by the Bureau of Labor Statistics, as more specifically described in Attachment A.

42. "Metro Boston Core Area" means the cities of Boston, Cambridge, Chelsea and Revere and the town of Brookline.

43. "MGH" means The General Hospital Corporation, doing business as Massachusetts General Hospital, and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used in this Consent Judgment, unless otherwise specifically indicated, the term "MGH" shall include the Boston, Massachusetts hospital campus operated by MGH pursuant to the hospital license issued by DPH and all other facilities operated by MGH on the same DPH license.

44. "MGPO" means Massachusetts General Physicians Organization., Inc. and all of its subdivisions, officers, directors, trustees, partners, members, agents, servants and/or employees (including its employed physicians and other health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in MGPO for Payer contracting.

45. "Parties" means collectively the Commonwealth and the Defendants.

46. "Partners" means Partners HealthCare System, Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees.

47. "Partners Contracting Affiliate" means any health care provider organization or entity on whose behalf Partners negotiates reimbursement rates or other terms with Payers and that is a not a Corporate Affiliate of Partners. As used in this Consent Judgment, the term "Partners Contracting Affiliate" shall include Leased Physicians where Partners, a Partners Provider or a Partners Contracting Affiliate acts as the Lessee Provider. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Partners Contracting Affiliate" and each reference to a named Partners Contracting Affiliate shall include all of its subdivisions, officers, directors, trustees, partners, members, agents, servants and/or employees (including its employed physicians and other health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in such Partners Contracting Affiliate for Payer contracting. The Partners Contracting Affiliates as of the Effective Date include, without limitation, so-called "managed PCHI physician groups," such as Charles River Medical Associates, and so-called "affiliated groups" such as Plymouth Medical Group.

48. "Partners Network" means, collectively, all Partners Providers and all Partners Contracting Affiliates.

49. "Partners Provider" means any health care provider organization or entity that is a Corporate Affiliate of Partners. As used in this Consent Judgment, unless otherwise specifically indicated, the term "Partners Provider" and each reference to a named Partners Provider shall include all of its subdivisions, officers, directors, trustees, partners, members, agents, servants and/or employees (including its employed physicians and other health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in such Partners Provider for Payer contracting. The

Partners Providers as of the Effective Date include, without limitation, PCHI, BWPO, BWH, MGPO and MGH.

50. "Payer" means any organization or entity that contracts with health care providers and other health care organizations to provide or arrange for the provision of health care services to any person or group of persons and that is responsible for payment to such providers and other health care organizations of all or part of any expense for such health care services, including but not limited to commercial insurance companies, health maintenance organizations, preferred provider organizations, union trust funds, multiple employer trusts and self-insured health plans. For purposes of this Consent Judgment, the term "Payer" does not include health care providers or governmental payers, including without limitations Medicare (either as a fee-for-service payer or as a payer under a Pioneer ACO or Medicare Shared Savings Program) and the Medicaid program.

51. "Payer Contract" means a contract between a health care provider and a Payer pursuant to which the health care provider agrees to provide or arrange for the provision of health care services to enrollees of the Payer's Health Insurance Product.

52. "PCHI" means Partners Community HealthCare, Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees (including its employed physicians and other health care professionals).

53. "South Shore Contracting Component" means, collectively, SSHEC, SSH, SSPHO (including POSS and Corporate Affiliates of SSPHO), Harbor and the Harbor Physicians, whether or not Harbor (or any successor in interest to Harbor) and/or the Harbor Physicians are members of and/or participate in SSPHO for Payer contracting, and all other health care provider organizations and entities that are now or may hereafter be Corporate

Affiliates of SSHEC and/or SSH (including all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in such other SSHEC and/or SSH Corporate Affiliate for Payer contracting). The Health Provider Services Organization ("HPSO"), and all of the physician groups, physicians and other healthcare professionals that are associated with HPSO and that are not are members of, are not affiliated with and/or do not participate in SSH, SSPHO (including POSS) or in any other SSHEC and/or SSH Corporate Affiliate for Payer contracting, are specifically excluded from the South Shore Contracting Component.

54. "SSH" means South Shore Hospital, Inc. and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees. As used in this Consent Judgment, unless otherwise specifically indicated, the term "SSH" shall include the Weymouth, Massachusetts hospital campus operated by SSH pursuant to the hospital license issued by DPH and all other facilities operated by SSH on the same DPH license.

55. "SSHEC" means South Shore Health and Educational Corporation and all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees.

56. "SSPHO" means the South Shore Physician Hospital Organization, Inc. As used in this Consent Judgment, unless otherwise specifically indicated, the term "SSPHO" shall include Physicians Organization of the South Shore, Inc. ("POSS"), one of the corporate members of SSPHO; all Corporate Affiliates of SSPHO and/or POSS; all of their respective subdivisions, officers, directors, trustees, partners, members, agents, servants and/or employees; and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in SSPHO and/or POSS for Payer contracting.

57. "TME" means total medical expenses, as more specifically described in Attachment A.

58. The definitions of this Consent Judgment that concern the composition of the any Defendant, or of any organization or entity named or referred to herein, or of the Partners Network or parts thereof (by way of example and without limitation, "Partners Provider" or of a "Contracting Component") are not static as of the Effective Date, but instead, for the time period that this Consent Judgment remains in effect, may be altered from time to time as necessary to reflect the future composition of such defined terms, including without limitation changes to the Corporate Affiliates, subdivisions, officers, directors, trustees, partners, agents, servants, members, participating or affiliated providers and/or employees of any Defendant or of any other organization or entity named or referred to herein, or of changes to the Partners Network and its constituent parts due to acquisitions, divestitures or other changes or changes to the composition of the Contracting Components in conformance with the terms of Paragraph 70.

II. JURISDICTION AND VENUE

59. This Court has jurisdiction over the subject matter and the Parties to the above-captioned action.

60. Venue in this Court is proper under M.G.L. c. 93A, § 4. The Attorney General is authorized to bring this action under M.G.L. c. 93A, § 4.

III. PARTIES BOUND

61. This Consent Judgment shall constitute a binding agreement among the Parties. The Defendants consent to its entry as a final judgment by the Court and waive all rights of appeal upon its entry on the docket. If the Superior Court declines to enter this Consent

Judgment on any ground except one related to form, this Consent Judgment is voidable at the option of any Party by giving written notice to the other Parties within fourteen (14) days of the Court's decision.

62. The provisions of this Consent Judgment shall apply to and bind the Commonwealth and each Defendant and all of its Corporate Affiliates, and any person or entity acting by, for, or through any Defendant or any of its Corporate Affiliates, including any Defendant's or its Corporate Affiliate's managers, directors, officers, supervisors, employees, agents, servants, attorneys-in-fact, successors, and assigns, and those persons in active concert or participation with any Defendant or its Corporate Affiliates who receive notice of this Consent Judgment.

63. Partners shall require, as a condition of the sale or other disposition of all or substantially all of its assets, that the party obtaining those assets be bound by the provisions of this Consent Judgment.

IV. INJUNCTIVE RELIEF

A. Component Contracting

64. For a period of ten (10) years from the Effective Date (the "Component Contracting Term"), Partners shall allow each Payer, at the Payer's option, to negotiate a Payer Contract(s) that covers the entirety of the Partners Network, and/or the Payer may pursue a Payer Contract(s) with one or more Contracting Component(s) of the Partners Network in accordance with the Component Contracting provisions set forth in this Section IV.A. Partners shall allow each Payer, at the Payer's option, to negotiate for the inclusion of different Contracting Components with respect to the Payer's different Health Insurance Products.

65. For years one (1) through seven (7) of the Component Contracting Term, Partners shall make the following four (4) Contracting Components available to Payers: the AMC Contracting Component; the Community Contracting Component; the South Shore Contracting Component; and the Hallmark Health Contracting Component.

66. For years eight (8) through ten (10) of the Component Contracting Term, Partners shall make the following two (2) Contracting Components available to Payers: the AMC Contracting Component and the Community Contracting Component, it being understood and agreed that in years eight (8) through ten (10) of the Component Contracting Term the South Shore Contracting Component and the Hallmark Health Contracting Component will be combined with the then existing Community Contracting Component into a single Community Contracting Component offered by Partners to Payers.

67. If, pursuant to Paragraph 110 of the Consent Judgment, Partners elects to treat the Cooley Dickinson Entities as a separate Contracting Component (the "Cooley Dickinson Contracting Component"), Partners shall make the Cooley Dickinson Contracting Component available to Payers in addition to those identified in Paragraphs 65 and 66 from June 1, 2018 through the end of year 10 (ten) of the Component Contracting Term.

68. In order to implement and to ensure the meaningfulness of the component contracting option described in this Section IV.A., Partners must offer this option to Payers on a fair and non-discriminatory basis including, without limitation, the following implementation principles and requirements:

a. Partners shall not make inclusion of any Contracting Component in a Payer's Payer Contract contingent on that Payer including another Contracting Component in its Payer Contract(s), and Partners shall not make the availability to

a Payer of any type of Payer Contract(s) with Partners contingent on that Payer entering into another type of Payer Contract(s) with Partners.

b. Partners shall not take, or threaten to take, any actions to discriminate against, retaliate or punish any Payer because that Payer elects to negotiate any Payer Contract(s) with one or more Contracting Components separately or decides not to include one or more Contracting Components in any of its Payer Contract(s).

c. Nothing in this Consent Judgment shall be construed to require that Partners enter into contracts with Payers solely on the terms and conditions offered by Payers; however, any decision by Partners not to contract with a payer for participation in such Payer's Health Insurance Product(s) must be consistent with the principles stated in this Paragraph 68. Likewise, any exercise by Partners of its statutory right to opt out of, or decline participation in, a Payer's tiered, select or limited network Health Insurance Products must be consistent with the principles stated in this Paragraph 68.

69. Where Payers exercise the component contracting option described in this Section IV.A. to contract with less than all available Contracting Components for any Health Insurance Products, parts of the Partners Network will be in-network for such Health Insurance Products and other parts of the Partners Network will be out-of-network for such Health Insurance Products. Where the members of such Health Insurance Products are Partners patients, the Parties acknowledge that issues may arise for such patients when a Partners physician wants to refer such a patient to Partners Network providers that are out-of-network providers under the patient's Health Insurance Product. The Parties further acknowledge that education of such patients about the coverage of their Health Insurance Product is important. The Parties agree

that in connection with the implementation of this Section IV.A. they shall consult regarding any such issues involving referrals to out-of-network Partners Network providers. Partners further agrees that, to the extent reasonably feasible in connection with the implementation of its new integrated electronic registration and clinical records system, Partners shall develop policies and procedures designed to address these referral issues. Partners shall inform the Attorney General periodically during the Component Contracting Term of such policies and procedures it develops with respect to such referral issues and of any changes that Partners may make to such policies and procedures.

70. Partners must obtain the consent of the Attorney General, pursuant to the provisions of Section X.B. of this Consent Judgment, in the event that at any time during the Component Contracting Term Partners proposes (i) to close all or substantially all of the operations and facilities of any Partners Provider, (ii) to merge a Partners Provider or a Partners Hospital PHO that is part of one Contracting Component into a Partners Provider or a Partners Hospital PHO, respectively, that is part of another Contracting Component, or (iii) to transfer DPH licensure of a facility from a healthcare provider entity or organization that is part of one Contracting Component to a healthcare provider entity or organization that is part of another Contracting Component (each such event being referred to herein as a "Material Change to a Contracting Component"). In evaluating this Request for Consent, the Attorney General shall make a determination as to whether the proposed Material Change to a Contracting Component will materially undermine the goals and objectives of the component contracting option described in this Section IV.A. In the event that the Attorney General does not consent to the proposed Material Change to a Contracting Component, Partners may petition the Court to authorize the proposed Material Change to a Contracting Component notwithstanding the

Attorney General's objection. Partners also agrees that during the Component Contracting Term it will provide a quarterly report to the Attorney General of all such cross-Contracting Component transfers of service lines, facilities and/or physician groups that do not constitute a Material Change to a Contracting Component that Partners has initiated or implemented during the prior quarter.

71. Partners shall provide written notice of the provisions of this Section IV.A. within ten (10) days of the Effective Date to Payers with which Partners has a Payer Contract. Thereafter, Payers may exercise their component contracting options with Partners, which as necessary may include re-opening or renegotiating existing Payer Contracts to reflect component contracting. If a Payer decides to reopen a current Partners Payer Contract pursuant to this Paragraph, any new Payer Contract negotiated between Partners and the Payer will not take effect until after December 31, 2014.

72. Within a reasonable period after the Effective Date, and in any event not later than December 31, 2014, Partners shall make such changes to its Network affiliation and participation agreements with the Partners Contracting Affiliates as may be necessary to require that as a condition of participation in the Partners Network each such Partners Contracting Affiliate must agree to participate in all Payer Contracts that Partners enters into with Payers either on behalf of the entire Partners Network or for the Contracting Component in which such Partners Contracting Affiliate is participating. Partners agrees that it will also apply such Network participation condition to all future Partners Contracting Affiliates.

B. <u>Specific Remedies Applicable to South Shore Hospital, Harbor Medical Associates, and South Shore Physician Hospital Organization</u>

i. Creation of the South Shore Contracting Component

73. Partners shall offer the option for Payers to negotiate for the South Shore Contracting Component in accordance with the Component Contracting provisions set forth in Section IV.A. of this Consent Judgment.

ii. Separate Application of the Price Growth Restrictions to South Shore Contracting Component

74. The members of the South Shore Contracting Component, collectively, will be independently subject to a Unit Price Cap (the "South Shore Unit Price Cap") for the period of time and implemented in accordance with the provisions set forth in Section IV.G. and Attachment A of this Consent Judgment. The baseline for the South Shore Unit Price Cap will be established in accordance with the provisions of Section IV.G. and Attachment A using the Payer Contract rates for the members of the South Shore Contracting Component that were in effect immediately prior to such members becoming part of the Partners Network.

iii. Preservation of Services at South Shore Hospital

75. For the seven (7) year period commencing on the Effective Date, Partners will cause SSH to preserve (i) its Level III Neonatal Intensive Care Unit, Level II Special Care Nursery and Level I Newborn Nursery and (ii) its certification as a Level II Trauma Center by the Massachusetts Department of Public Health and the American College of Surgeons, in each case at the same levels as such services are provided by SSH on the Effective Date. Partners shall not permit SSH to substantially reduce or to eliminate the services identified in this Paragraph without first obtaining the express consent of the Attorney General pursuant to the provisions of Section X.B. of this Consent Judgment.

C. <u>Specific Remedies Applicable to Hallmark Health Corporation</u>

i. Creation of the Hallmark Contracting Component

76. Partners shall offer the option for Payers to negotiate for the Hallmark Health Contracting Component in accordance with the Component Contracting provisions set forth in Section IV.A. of this Consent Judgment.

ii. Meet and Confer Obligations After Health Policy Commission Cost and Market Impact Review Final Report

77. In the event that the HPC issues a Cost and Market Impact Review Final Report that finds a likelihood of materially increased prices as a result of Partners' acquisition of HHC, the Attorney General and Partners shall meet and confer, pursuant to the procedures of Section X.C. of this Consent Judgment, concerning such HPC findings and whether the Attorney General and Partners can agree on mitigation of any material price impacts identified by the HPC in such Final Report.

iii. Separate Application of the Price Growth Restrictions to Hallmark Health Contracting Component

77A. The members of the Hallmark Health Contracting Component, collectively, will be independently subject to a Unit Price Cap (the "Hallmark Health Unit Price Cap") for the period of time and implemented in accordance with the provisions set forth in Section IV.G. and Attachment A of this Consent Judgment. The baseline for the Hallmark Health Unit Price Cap will be established in accordance with the provisions of Section IV.G. and Attachment A using the Payer Contract rates for the members of the Hallmark Health Contracting Component that were in effect during the applicable UPGC Baseline Period, as defined in Section III.a.ii. of Attachment A.

iv. Preservation of Psychiatric/Behavioral Health Services

77B. For a period of five (5) years commencing on the Effective Date, during which period Partners intends to reorganize the psychiatric/behavioral health services that it provides in

the communities north of Boston into programs centered on a new Center of Excellence in Psychiatry and Behavioral Health at Union Hospital, Partners will preserve those services at no less than their current level.

D. Restriction on Affiliate Contracting

i. Generally

78. The restrictions and other provisions described in this Section IV.D. shall be in effect for a period of ten (10) years from the Effective Date.

79. Except as expressly described in this Section IV.D., Partners will cease the practice of conducting Payer contracting on behalf of any Partners Contracting Affiliates. This prohibition shall be implemented in accordance with the provisions of this Section IV.D.

80. Except as expressly described in this Section IV.D., Partners shall not enter into any new contractual or other relationship with any physician or with any health care provider organization or entity, including without limitation any Hospital, physician group, physician hospital organization, independent practice association or health care management services organization, that would result in such physician or such organization or entity becoming a Partners Contracting Affiliate.

81. Partners shall not renew or extend the term of the Payer Contracting provisions of any affiliation agreement, services agreement or other similar agreement with any Partners Contracting Affiliate that is in effect on the Effective Date.

82. In order to implement the provisions of this Section IV.D., Partners shall allow each Payer, at the Payer's option, to reopen such Payer's Payer Contract with Partners that is in effect on the Effective Date as to any or all Partners Contracting Affiliates (other than those described in Section IV.D.ii. below) and, as to each Partners Contracting Affiliate for which the

Payer has elected this option, either (i) to negotiate a new Payer Contract separately with such Partners Contracting Affiliate, or (ii) to terminate such Partners Contracting Affiliate's participation in the current Partners Payer Contract and have no Payer Contract with such Partners Contracting Affiliate.

83. Where a Payer decides to reopen the current Partners Payer Contract as to a Partners Contracting Affiliate pursuant to Paragraph 82, such Partners Contracting Affiliate's participation in the existing Partners Payer Contract will remain in effect until December 31, 2014, and any new Payer Contract between such Partners Contracting Affiliate and such Payer will begin on January 1, 2015.

84. If a Payer chooses not to exercise the option provided by Paragraph 82 as to any Partners Contracting Affiliate, such Payer's Payer Contract with Partners that is in effect on the Effective Date with respect to such Partners Contracting Affiliate will remain in effect until (i) the expiration of the then current term or the termination of such Partners Payer Contract (but not including any extensions even if authorized by the Payer Contract or otherwise) or (ii) three (3) years from the Effective Date, whichever occurs sooner. Thereafter such Payer may elect to negotiate a new Payer Contract with such former Partners Contracting Affiliate or to have no contract with such former Partners Contracting Affiliate.

85. Partners will give written notice of the provisions of this Section IV.D. within ten (10) days of the Effective Date to the Payers that are counterparties to any Partners' Payer Contract that includes one or more Partners Contracting Affiliates.

ii. Exception for Certain Partners Contracting Affiliates

86. Notwithstanding the provisions of Section IV.D.i. above, that section shall not prohibit Partners from continuing to conduct Payer contracting (including without limitation all

of its Payer Contracts that are in effect on the Effective Date) on behalf of all Partners Contracting Affiliates that participate in such Partners' Payer Contracts in conjunction with a Hospital that is a Partners Provider either through the physician hospital organization of which the Partners Provider Hospital is a member (a "Partners Hospital PHO") or as part of the AMC that includes the Partners Provider Hospital (such Partners Contracting Affiliates being referred to herein as "Excepted Partners Contracting Affiliates"). As of the Effective Date, the Excepted Partners Contracting Affiliates are all of the Partners Contracting Affiliates that are members of and/or participate in the following Partners Hospital PHOs or Partners AMCs: North Shore Health System, Newton-Wellesley Physician Hospital Organization, MGH/MGPO and BWH/BWPO. Upon consummation of the acquisition by Partners of SSHEC and HHC, the SSPHO and the Hallmark Health PHO will become Partners Hospital PHOs and the physician groups and the physicians and other healthcare providers who are members of, are affiliated with and/or participate in the SSPHO and the Hallmark Health PHO, respectively, for Payer contracting will be deemed to be Excepted Partners Contracting Affiliates. Similarly, in the event that Partners seeks to acquire Emerson Hospital and if, after the regulatory review described in Paragraph 92, Partners is authorized to acquire Emerson Hospital, then upon the consummation of that acquisition the Emerson PHO will become a Partners Hospital PHO and the physician groups and the physicians and other healthcare providers who are members of, are affiliated with and/or participate in the Emerson PHO for Payer contracting will be deemed to be Excepted Partners Contracting Affiliates. This Paragraph, and any agreement or other action by the Attorney General pursuant to this Section IV.D. of this Consent Judgment, shall have no effect on any review by the Attorney General or any other entity of any proposal by Partners to acquire Emerson Hospital.

87. In the event that Partners, in compliance with Section IV.E., acquires any other Hospital in Eastern Massachusetts that is a member of a PHO, upon the consummation of such acquisition, such PHO would become a Partners Hospital PHO and the physician groups and the physicians and other healthcare professionals who are members of, are affiliated with and/or participate in such PHO for Payer contracting would also be deemed to be Excepted Partners Contracting Affiliates if, and only if, (i) the nature of the membership of the newly-acquired Hospital in the PHO is substantially the same as the nature of the membership of the currently existing Partners Provider Hospitals (i.e. North Shore Medical Center and Newton-Wellesley Hospital) in their respective PHOs and (ii) the terms and conditions of the participation of the physicians and physician groups in the new PHO are substantially the same as the terms and conditions of participation applicable to physician participants in North Shore Health System and Newton-Wellesley Physician Hospital Organization. Any such addition(s) to a Partners Hospital PHO remains subject to the restrictions on future growth of the Partners Network set forth in Section IV.F. below.

88. Notwithstanding the provisions of Section IV.D.i. above, (i) physician groups that are not Corporate Affiliates of Partners (and the physicians and other healthcare providers who are employed by or are members of such physician groups and any Leased Physicians for whom such physician group is the Lessee Provider) and (ii) any Leased Physicians whose Lessee Provider is a Partners Provider (such Leased Physicians being referred to herein as "Partners Leased Physicians") may become members of, affiliated with and/or participants in a Partners Hospital PHO for Payer contracting, and thereby become Excepted Partners Contracting Affiliates for purposes of this Consent Judgment, so long as such physician groups or Partners Leased Physicians have, or can demonstrate that within a reasonable period of time

after joining the Partners Hospital PHO will have, an integrated clinical relationship with the applicable Partners Provider Hospital. In such event Partners will provide the Attorney General with not less than thirty (30) days prior notice pursuant to Section X.A. of this Consent Judgment that such physician group or Partners Leased Physicians seek(s) to join a Partners Hospital PHO and thereby become Excepted Partners Contracting Affiliate(s), and Partners and the Attorney General will meet and confer pursuant to Section X.C. of this Consent Judgment regarding whether such physician group has, or such Partners Leased Physicians have, or can demonstrate that it or they will develop the requisite integrated clinical relationship with the applicable Partners Provider Hospital. The criteria that are relevant to such determination include, without limitation, the group's and/or its physicians' or the Partners Leased Physicians' actual or expected (i) membership on the medical staff of the applicable Partners Provider Hospital and participation in medical staff committees and other activities, (ii) admitting relationship with such Hospital, (iii) geographic proximity of such group's or such Partners Leased Physicians' practice site(s) to such Hospital, (iv) participation in such Hospital's quality improvement and care management programs and (v) participation in Partners' population health management programs. If the Attorney General objects to such physician group's or such Partners Leased Physicians' joining the Partners Hospital PHO and thereby becoming Excepted Partners Contracting Affiliate(s), the Attorney General may petition the Court to prohibit such joinder and, if the Attorney General so objects, the proposed transaction shall not proceed until the Court rules on the Attorney General's petition hereunder. Any such addition(s) to a Partners Hospital PHO also remains subject to the restrictions on future growth of the Partners Network set forth in Section IV.F. below and subject to potential review by the Attorney General and/or HPC or any other relevant authority under any

applicable laws, including without limitation state and federal antitrust laws and the HPC Cost and Market Impact Review process.

iii. Emerson Hospital and Emerson PHO

89. The prohibitions and terms of Section IV.D.i. of this Consent Judgment apply to Emerson Hospital and Emerson PHO except that where a Payer elects to reopen the Partners Payer Contract in effect on the Effective Date as to Emerson Hospital and Emerson PHO pursuant to Paragraph 82, the participation of Emerson Hospital and Emerson PHO in such existing Partners Payer Contract may remain in effect until December 31, 2015, and any new Payer Contract between Emerson Hospital and Emerson PHO and a Payer will begin on January 1, 2016. If a Payer chooses not to exercise the option provided by Paragraph 82 with respect to Emerson Hospital and Emerson PHO, the Partners Payer Contract in effect on the Effective Date as to Emerson Hospital and Emerson PHO will remain in effect until (i) the expiration or termination of such Partners Payer Contract (but not including any extensions even if authorized by the Payer Contract or otherwise) or (ii) three (3) years from the Effective Date, whichever occurs sooner. Thereafter such Payer may elect to negotiate a new Payer Contract with Emerson Hospital and Emerson PHO or to have no contract with Emerson Hospital and Emerson PHO.

90. Partners may request that the Attorney General, pursuant to the provisions of Section X.B. of this Consent Judgment, extend the period during which Partners can continue to conduct Payer contracting on behalf of Emerson Hospital and Emerson PHO if Partners can show that either: (i) any agreement by Partners to acquire Emerson Hospital has been finalized between Partners and Emerson Hospital but awaits the outcome of legal or regulatory review, including without limitation Health Policy Commission cost and market impact review or

review by the Attorney General or any other government authority under antitrust or any other law; or (ii) Partners' and Emerson Hospital's discussions concerning Partners' acquisition are at an advanced stage and are likely to be consummated close in time to the end of the implementation period described in Paragraph 89 above. If Partners and the Attorney General agree on an extension they shall jointly move the Court for modification pursuant to Section XIII of this Consent Judgment. Absent agreement, Partners may request that the Court extend the end of the Emerson implementation period described above. This Paragraph, and any agreement or other action by the Attorney General pursuant to this Section IV.D. of this Consent Judgment, shall have no effect on any review by the Attorney General or any other entity of any proposal by Partners to acquire Emerson Hospital.

E. Restriction on Future Hospital Growth

91. For seven (7) years from the Effective Date, Partners shall not acquire any Hospital located in Eastern Massachusetts without prior review and approval by the Attorney General instituted pursuant to the provisions of Section X.B. of this Consent Judgment. The decision to grant such approval shall be fully at the discretion of the Attorney General.

92. The Attorney General's discretionary review and approval requirement set forth in this Section IV.E. shall not apply to any proposed acquisition of Emerson Hospital by Partners. Any proposed acquisition of Emerson Hospital by Partners remains subject to review by the Attorney General, HPC or any other entity under any applicable laws, including without limitation state and federal antitrust laws and the HPC Cost and Market Impact Review process.

93. In the event that Partners proposes a Hospital acquisition within seven (7) years of the Effective Date, the Attorney General will use best efforts to coordinate timing of any

review of the proposed transaction with HPC, if HPC undertakes a Cost and Market Impact Review with respect to the proposed transaction.

F. Restrictions on Partners' Physician Growth in Eastern Massachusetts

i. Community Physician Cap

94. For a period of five (5) years from the Effective Date (the "Community Physician Cap Term"), the aggregate number of Community Physicians and AMC Community Physicians in Eastern Massachusetts shall not exceed the "Community Physician Cap" defined below. For all purposes related to the Community Physician Cap provisions of this Consent Judgment, including without limitation the establishment of the Baseline Community Physician Cap (as defined below) and the determination of the number of Community Physicians and AMC Community Physicians at any time, only those Community Physicians and those AMC Community Physicians who are participating in one or more Partners' Payer Contracts as of the date of determination will be counted.

95. For years one (1) through three (3) of the Community Physician Cap Term, the "Community Physician Cap" shall be the "Baseline Community Physician Cap" which is defined as the sum of (i) the number of Community Physicians as of January 1, 2012 who were participating in one or more Partners' Payer Contracts, as described in Schedule 1 attached hereto, and (ii) the number of AMC Community Physicians who are participating in one or more Partners' Payer Contracts as of the Effective Date, determined on an FTE basis using the most recent twelve (12) months data that is available, as described in Schedule 1 attached hereto.

96. For year four (4) of the Community Physician Cap Term, the Community Physician Cap shall be equal to 102% of the Baseline Community Physician Cap.

97. For year five (5) of the Community Physician Cap Term, the Community Physician Cap shall be equal to 104% of the Baseline Community Physician Cap.

98. For purposes of calculating the Community Physician Cap and whether Partners has exceeded the Community Physician Cap as described in this Section IV.F.i., the AMC Community Physicians will be counted on an FTE basis and the Community Physicians will be counted on a head count basis.

99. BWPO physicians, other than the Harbor Physicians, practicing at Faulkner Hospital shall not count toward the Community Physician Cap. Partners will provide the Attorney General with (i) a baseline report within 60 days of the Effective Date, and (ii) by February 1 of each year of the Community Physician Cap Term an annual report for the previous calendar year, on the number and practice areas of BWPO physicians (other than the Harbor Physicians) practicing at Faulkner Hospital.

ii. AMC PCP Cap

100. For a period of five (5) years from the Effective Date (the "AMC PCP Cap Term"), the number of AMC PCPs shall not exceed the "AMC PCP Cap" defined below.

101. For year one (1) of the AMC PCP Cap Term, the AMC PCP Cap shall be ten (10) more AMC PCPs than the "Baseline AMC PCP Cap," which is the number of AMC PCPs as of the Effective Date. The Baseline AMC PCP Cap shall be determined as described in Schedule 1.

102. On the first day of each year of years two (2) through five (5) of the AMC PCP Cap Term, the AMC PCP Cap shall increase by another ten (10) AMC PCPs.

103. During years two (2) through five (5) of the AMC PCP Cap Term, Partners may seek agreement by the Attorney General to permit Partners to change the annual ten (10) AMC

PCP increase of the AMC PCP Cap to up to twenty (20) AMC PCPs for a given year by providing notice of the request to the Attorney General pursuant to Section X.A. of this Consent Judgment; after receiving notice, the Attorney General shall meet with Partners and confer on the request pursuant to Section X.C. of this Consent Judgment and the Attorney General's decision regarding Partners' request will be based on Partners' making a showing that the additional AMC PCPs (i) are new to the market, i.e., from outside of Metro Boston Core Area or new graduates; (ii) are needed to serve at-risk, underserved or government payer patient populations, including those with behavioral, substance use disorder and mental health conditions; (iii) will not materially increase costs; and (iv) will not materially decrease competition among affected providers. The Attorney General and Partners agree that these criteria shall take into account cost and market impacts, but are designed to permit AMC PCP growth that serves a demonstrated access need. If the Attorney General does not agree with Partners' request, Partners may petition the Court to grant the request based on the above criteria.

iii. Other Restrictions and Terms Relating to Physician Growth

104. During the Community Physician Cap Term, Partners must provide the Attorney General with 30 days prior notice, pursuant to Section X.A. of this Consent Judgment, of any proposed transaction by Partners or any of its Corporate Affiliates that involves the acquisition of, employment of, or affiliation with (including a Leased Physician arrangement):

a. any existing physician group of more than ten (10) physicians whose principal office is located in Eastern Massachusetts; and

b. any existing physician group of four (4) or more physicians whose principal office is located in Cambridge, Chelsea, Everett, Malden, Somerville or Revere, Massachusetts.

Such notice is notwithstanding that such a proposed transaction may conform to Partners' physician cap obligations under this Section IV.F. Such a proposed transaction remains subject to review by the Attorney General and/or HPC or any other relevant authority under any applicable laws, including without limitation state and federal antitrust laws and the HPC Cost and Market Impact Review process.

105. During the AMC PCP Cap Term Partners shall not affirmatively solicit existing practice groups, including primary, secondary and tertiary AMC Physicians, at competitor AMCs in Eastern Massachusetts to join Partners as employees, as Partners Contracting Affiliates, or otherwise. This Paragraph shall not prohibit Partners from responding to unsolicited overtures from existing practice groups or parts thereof, or from actively recruiting physicians from outside of Eastern Massachusetts.

106. During the AMC PCP Cap Term the Attorney General will monitor the count and growth of the number of AMC Physicians to which the AMC PCP Cap does not apply ("Non-Capped AMC Physicians"), and Partners will provide annual reports on the growth of the number of Non-Capped AMC Physicians and the nature of services that Non-Capped AMC Physicians provide and such other information concerning the growth of the number of Non-Capped AMC Physicians as the Attorney General may reasonably request from time to time.

G. Restriction on Partners Price Growth

107. For six and one half years the rate of increase, if any, of prices charged for Partners' health care services by providers in the Partners Network, measured with respect to

each of the Community, AMC, South Shore and Hallmark Health Contracting Components, shall not exceed the lower of general inflation or medical inflation. For the same time period the Total Medical Expense of the relevant Partners Commercial Risk Business shall not exceed the TME benchmark set by the Health Policy Commission. The detailed methodology for measuring and implementing these comprehensive price growth and TME growth restrictions, which shall govern the obligations stated in this Paragraph 107, is set forth in Attachment A.

108. Partners shall comply with the Unit Price Growth Cap and the TME Growth Cap as described in Attachment A.

H. The Cooley Dickinson Entities

109. Partners and the Attorney General acknowledge that they are parties to a separate agreement, titled "Agreement by and among Cooley Dickinson Health Care Corporation, Inc., Cooley Dickinson Physician Hospital Organization, Inc., Partners HealthCare System, Inc. and the Attorney General of the Commonwealth of Massachusetts" and dated May 31, 2013 (the "CDHCC Agreement"). The term of the CDHCC Agreement ends on June 1, 2018. During the term of the CDHCC Agreement, this Consent Judgment shall have no application to the Cooley Dickinson Entities.

110. Effective as of June 1, 2018, Partners will select the option of either (i) treating the Cooley Dickinson Entities, collectively, as a separate, new Contracting Component consistent with the obligations set forth in Section IV.A.; or (ii) adding the Cooley Dickinson Entities, collectively, to the Community Contracting Component consistent with the obligations set forth in Section IV.A. and subjecting the Cooley Dickinson Entities, collectively, to the price growth restriction provisions set forth in Section IV.G. and Attachment A as part of the Community Contracting Component. The option selected by Partners shall comprise,

exclusively, the relief contained in this Consent Judgment applicable to the Cooley Dickinson Entities.

111. Partners shall make the selection described in the previous paragraph hereof by providing notice to the Attorney General pursuant to Section X.A. of this Consent Judgment on or before May 1, 2018. No later than ten (10) business days after May 1, 2018, Partners shall notify the Payers with which Partners has a Payer Contract of the option that it has selected and of any obligations or terms that flow from the selected option.

V. THIRD PARTY MONITORING

112. The Attorney General shall, following consultation with Partners, retain a Compliance Monitor to undertake the responsibilities and duties described in this Section V of this Consent Judgment. The Compliance Monitor shall assist the Attorney General, as described in this Section V and Section VI.B., in monitoring that Partners complies with the various terms of this Consent Judgment, including the Unit Price Growth Cap and TME Growth Cap described in Section IV.G. and Attachment A and the Community Physician Cap and AMC PCP Cap described in Section IV.F., by conducting an ongoing review of Partners' practices that are affected by this Consent Judgment.

113. The duties and responsibilities of the Compliance Monitor as described in this Section V and Section VI.B. shall be in effect for a period of ten (10) years from the Effective Date.

114. The Compliance Monitor shall have the power and authority to (i) upon reasonable notice, access or receive copies of all non-privileged books, ledgers, accounts, correspondence, memoranda, reports, accountant's work papers and other records and documents in the possession or under the control of Partners that contain information that is

relevant to any of Partners' obligations set forth in Section IV of this Consent Judgment; (ii) upon reasonable notice, interview the directors, officers, managers or employees of Partners, or its independent auditors (the "Partners Representatives"), as relevant to any of Partners' obligations set for in Section IV of this Consent Judgment; (iii) issue reasonable data requests to Partners for information that is relevant to any of Partners' obligations set forth in Section IV of this Consent Judgment and receive responsive data; and (iv) require Partners to provide compilations of documents, data or other information that is relevant to any of Partners' obligations set forth in Section IV of this Consent Judgment, and require Partners to submit reports to the Compliance Monitor containing such material, in such form as the Compliance Monitor may reasonably direct. Partners shall cooperate, at its sole cost and expense, in providing the information requested by the Compliance Monitor. Nothing in this Consent Judgment requires Partners to divulge information protected by state or federal patient privacy laws and regulations, including but not limited to HIPAA, to the extent that an exception to those laws and regulations does not apply.

115. The Compliance Monitor shall have the power and authority to review any other relevant information not in the possession or control of Partners, including without limitation from Payers. Partners hereby waives any confidentiality obligation third parties may have to Partners regarding information in the possession or control of such third parties, but only to the extent necessary for the Compliance Monitor to review such information in the performance of the Compliance Monitor's responsibilities and duties.

116. Partners shall assist the Compliance Monitor in performance of the responsibilities set forth in this Section V of this Consent Judgment. Partners shall take no action to interfere with or to impede the Compliance Monitor's accomplishment of its

responsibilities. Partners shall have the right to attend, or to have counsel present at, any interview of any Partners Representative and if any verbatim transcript is created of such interview, to receive a copy of such transcript taken of any such interview. In performing its duties and responsibilities the Compliance Monitor shall seek to avoid undue disruption of Partners' normal-course clinical or business affairs when reasonably possible.

117. The Compliance Monitor shall, at the direction of the Attorney General after the Attorney General has consulted with Partners, have the power and authority to retain individuals or firms to assist in conducting the Compliance Monitor's responsibilities and duties.

118. The Compliance Monitor shall prepare and issue an annual report for each year of the ten (10) year term of this Section V to the Attorney General reviewing Partners' compliance with all provisions of Section IV of this Consent Judgment in effect during the year covered by that annual report. Partners shall be provided a reasonable opportunity to review and comment on the draft report before the report becomes final, but the Compliance Monitor shall, in its sole discretion, determine whether to address any such comments in a final report. The annual reports by the Compliance Monitor issued for the period during which Section IV.G. of this Consent Judgment is in effect shall include information (including any changes in such information from year-to-year during such period) on the number and scope of the Partners' Risk Arrangements that are subject to the TME Growth Cap.

119. The Compliance Monitor shall prepare and issue to the Attorney General interim reports concerning Partners' compliance with any provision of Section IV of this Consent Judgment as reasonably requested by the Attorney General, and may, on its own initiative,

provide any additional reports to the Attorney General setting forth interim findings as the Compliance Monitor deems necessary and appropriate.

120. The reports issued by the Compliance Monitor shall be in a form agreed upon between the Compliance Monitor and the Attorney General and shall be available to the public when final. Such reports will not contain information reasonably asserted by Partners to be confidential commercial or trade secret information.

121. The Compliance Monitor, and any individuals or firms hired to assist the Compliance Monitor as described in Paragraph 117 of this Consent Judgment, shall sign a confidentiality agreement that is mutually acceptable to the Compliance Monitor, the Attorney General and Partners and pursuant to which the Compliance Monitor and such individuals and firms shall agree to maintain the confidentiality of documents, information or data obtained in the course of its or their duties consistent with this Consent Judgment and applicable law. Such confidentiality obligation shall not prevent the Compliance Monitor from sharing any relevant documents, information or data obtained from Partners or otherwise with the Attorney General who shall similarly maintain the confidentiality of such documents, information or data consistent with applicable law. The Parties may seek Court approval of the governing confidentiality agreement under this Consent Judgment.

122. The Compliance Monitor, and any individuals or firms hired to assist the Compliance Monitor as described in Paragraph 117 of this Consent Judgment, shall be compensated in the manner described in Section VI.B. of this Consent Judgment.

VI. INVESTIGATIVE AND MONITORING COSTS

A. Investigative Costs

123. Partners will pay the Investigative Costs of the Attorney General, including expert expenditures, in the sum of $1,293,450.

124. The payment under Paragraph 123 shall be made by certified check or wire transfer within fourteen days of the Effective Date.

B. Monitoring and Compliance Costs

125. As specified in Section V of this Consent Judgment, the Compliance Monitor, and any individuals or firms hired to assist the Compliance Monitor as described in Paragraph 117 of this Consent Judgment, shall be compensated exclusively from the Compliance Monitor Trust Account, which shall be funded exclusively by Partners as described in this Section VI.B. of this Consent Judgment. The Consent Judgment creates no obligation on the Commonwealth's or Attorney General's part to compensate the Compliance Monitor or any individuals or firms hired to assist the Compliance Monitor in any manner except from the Compliance Monitor Trust Account.

126. The Compliance Monitor, and any individuals or firms hired to assist the Compliance Monitor as described in Paragraph 117 of this Consent Judgment, shall be compensated (i) on reasonable and customary terms commensurate with the individual's or firm's experience and responsibilities; (ii) in conformance with arrangements agreed to by the Attorney General and the individual or firm after consultation with Partners; and (iii) consistent with the scope of work and budgeting process set forth in this Section VI.B.

127. Following the selection of the Compliance Monitor pursuant to Paragraph 112, Partners shall deposit with the Attorney General the amount of $2.0 Million US Dollars ($2,000,000) to be held in an interest bearing Compliance Monitor Trust Account and to be expended for costs, fees and expenses of the Compliance Monitor including, without limitation,

the fees and expenses of any individuals or firms retained by the Compliance Monitor, at the direction of the Attorney General, to assist in conducting the Compliance Monitor's responsibilities as described in Section V of this Consent Judgment.

128. Distributions from the Compliance Monitor Trust Account shall conform to the following process concerning scope of work and budgeting. Within thirty (30) days of the Compliance Monitor's selection, the Compliance Monitor, in consultation with the Attorney General, shall determine the scope of work required to monitor compliance under this Consent Judgment together with an initial annual budget for those monitoring duties for the first year of the Compliance Monitor's work. The Attorney General, Partners and the Compliance Monitor shall meet to discuss the proposed scope of work and the proposed initial annual budget, and shall endeavor to agree upon both the scope of work as well as the initial annual budget. After the first year of the Compliance Monitor's service, and then annually after each successive year, the Compliance Monitor in consultation with the Attorney General shall propose a scope of work and annual budget for the next year, modified as necessary to reflect the experience in prior years and the Compliance Monitor's preceding annual report, and the Compliance Monitor, the Attorney General and Partners each year shall endeavor to agree upon the scope of services as well as a new annual budget (both modified as necessary). In the absence of agreement with respect to the initial annual budget or any successive annual budget, either the Attorney General or Partners may, provided they have met and conferred consistent with Section X.C., seek the Court's involvement to determine the annual budget for the Compliance Monitor. Once the initial annual budget and successive annual budgets have been so established, the distributions from the Compliance Monitor Trust Account shall conform to the applicable annual budget. In the event the Attorney General determines it is necessary to seek

distributions exceeding the applicable annual budget, the Attorney General must meet and confer with Partners consistent with Section X.C. and, in the absence of agreement, may request Court involvement with respect to distributions beyond the applicable annual budget.

129. If, consistent with the scope of work and budgeting process set forth in Paragraph 128, the balance of the Compliance Monitor Trust Account reaches an amount less than One Hundred Thousand US Dollars ($100,000), the Attorney General shall provide notice to Partners as specified in Section X.A. of this Consent Judgment. Within ten (10) business days of receiving notice, Partners shall deposit Two Hundred Fifty Thousand US Dollars ($250,000) into the Compliance Monitor Trust Account.

130. In the event that, at the end of ten (10) years from the Effective Date, not all funds held in the Compliance Monitor Trust Account have been expended, the balance shall be returned to Partners.

VII. RELEASE FROM CLAIMS

131. This Consent Judgment shall resolve the liability of each of Partners, SSHEC and HHC for the specific legal claims alleged against each of them in the Complaint that arose prior to the Effective Date.

132. This Consent Judgment shall resolve the liability of Partners and SSHEC for any claim that the Attorney General has or may have based on, arising out of or resulting from any violations of Section 7 of the Clayton Act, 15 U.S.C. § 18, Section 1 of the Sherman Act, 15 U.S.C. § 1, and Massachusetts General Laws c. 93A relating to the transaction through which Partners would become the sole corporate member of SSHEC.

133. This Consent Judgment shall resolve the liability of Partners and HHC for any claim that the Attorney General has or may have based on, arising out of or resulting from any

violations of Section 7 of the Clayton Act, 15 U.S.C. § 18, Section 1 of the Sherman Act, 15 U.S.C. § 1, and Massachusetts General Laws c. 93A relating to the transaction through which Partners would become the sole corporate member of HHC.

134. This Consent Judgment shall resolve the liability of Partners, all Partners Corporate Affiliates and all Partners Providers (including without limitation PCHI) and all Partners Contracting Affiliates for any claim that the Attorney General has or may have based on, arising out of or resulting from any violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, and of Massachusetts General Laws c. 93A based on Partners' joint Payer contracting practices through (i) the Effective Date or (ii) with respect to Partners Contracting Affiliates that are subject to the restriction on affiliate contracting set forth in Section IV.D.i. (and not including Excepted Partners Contracting Affiliates as defined in Section IV.D.ii.), the date or dates upon which each Partners Contracting Affiliate ceases its participation in a Partners' Payer Contract pursuant to Section IV.D. of this Consent Judgment. Based on the terms and conditions described in this Consent Judgment, including without limitation Section IV.D. above, the Attorney General is closing her current investigation into Partners' joint Payer contracting practices.

135. This Consent Judgment shall not preclude the Commonwealth from instituting a separate or ancillary action to enforce the terms of this Consent Judgment.

136. This Consent Judgment shall apply only to actions brought by or through the Attorney General.

137. Nothing in this Consent Judgment shall be construed as relieving Defendants of their duties to comply with all applicable federal, state and local laws, regulations, rules and permits.

VIII. WAIVER OF APPEAL AND OF FINDINGS AND RULINGS

138. Defendants waive all rights of appeal they have and each of the Parties waives the requirements of Rule 52 of the Massachusetts Rules of Civil Procedure.

IX. CONTINUING JURISDICTION

139. The Superior Court of the Commonwealth retains jurisdiction of this action for the purpose of carrying out or modifying the terms of this Consent Judgment, or granting such further relief as the Court deems just and proper, and the provisions of this Consent Judgment shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

X. NOTICES, REQUEST FOR CONSENT, AND MEET AND CONFER PROCEDURES

A. Notices

140. Unless otherwise specified in this Consent Judgment, notices and submissions required by this Consent Judgment to be sent to a Party shall be made in writing by first class mail to the following addresses:

To the Attorney General:

Office of the Attorney General of Massachusetts
Chief, Antitrust Division
Public Protection and Advocacy Bureau
One Ashburton Place, 18th Floor
Boston, MA 02108

To Partners:

Partners Healthcare System, Inc.
800 Boylston Street, Suite 1150
Boston, MA 02199
Attn: Vice Pres. and General Counsel

To Hallmark Health Corporation:

Hallmark Health Corporation
585 Lebanon Street
Melrose, MA 02176
Office of General Counsel

To SSHEC:

South Shore Health & Educational Corporation
55 Fogg Road
S. Weymouth, MA 02190
Attention: President & CEO

141. Each Party may from time to time designate another address and/or individual as its notice address for purposes of this Consent Judgment by giving written notice to the other Parties to this Consent Judgment.

142. Although not required, each Party shall also seek to provide courtesy telephone or email notice to the other relevant Party or Parties.

B. Request for Consent

143. To provide notice of a Request for Consent by the Attorney General under any provision of this Consent Judgment, Partners shall send notice pursuant to Section X.A. of this Consent Judgment.

144. Within seven (7) days after providing notice to the Attorney General of its Request for Consent, Partners shall provide any information supporting its Request for Consent that it wants the Attorney General to consider.

145. Within thirty (30) days after receiving notice of the Request for Consent, the Attorney General shall answer Partners' request pursuant to the Notice provisions of Section X.A. of this Consent Judgment.

146. Where Partners has the right to petition the Court concerning the subject matter of its Request for Consent, Partners agrees not to petition the Court prior to the earlier of (i) thirty (30) days following provision of such notice to the Attorney General or (ii) receipt of the Attorney General's answer to the Request for Consent.

147. Any time period in this Section X.B. of this Consent Judgment may be extended by agreement between the Attorney General and Partners.

C. Meet and Confer Obligations

148. In the event that (i) this Consent Judgment requires the Attorney General and Partners to meet and confer; (ii) the Attorney General's Office contends that this Consent Judgment has been violated; (iii) Partners contends that a statutory or regulatory change (including without limitation a statutory change mandating nurse staffing ratios or other statutory or regulatory changes that impact costs in the health care industry as a whole) conflicts with the provisions of this consent judgment or prevents the Defendants from complying with the Consent Judgment (the Parties agree that in order to establish that a statutory or regulatory change generally affecting costs in the health care industry prevents compliance, Partners must show that the statutory or regulatory change has caused or will cause an increase in the consolidated costs of Partners and its Corporate Affiliates that is greater than 0.5% of the consolidated commercial revenue of Partners and its Corporate Affiliates); or (iv) Partners otherwise seeks relief from the terms of this Consent Judgment, the Attorney General or Partners, as the case may be, shall provide written notice pursuant to Section X.A. to the other such Party including a brief description of the issues and related facts and circumstances about which they are to meet and confer, and the Attorney General and Partners shall promptly after the receipt of such notice meet and confer to discuss the issues raised in the notice and

seek a mutually acceptable resolution of such issues. If the Attorney General and Partners cannot reach agreement on a remedy or modification, either Party may petition the Court to resolve the issues raised in the notice. The Parties agree not to petition the Court under this Consent Judgment regarding the issues included in any such notice prior to thirty (30) days following the date of receipt of the above-referenced notice by the Party to which such notice was directed. Nothing in this Consent Judgment shall preclude the Attorney General and Partners from mutually agreeing to meet and confer about any issues arising out of or related to this Consent Judgment.

XI. MISCELLANEOUS

149. Nothing in this Consent Judgment shall be construed as deeming Partners' joint Payer contracting practices as lawful or unlawful.

150. Nothing in this Consent Judgment shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Consent Judgment.

151. Schedule 1 and Attachment A and its Exhibits are incorporated herein and are fully part of this Consent Judgment and binding upon the Parties.

152. Any violations of this Consent Judgment are punishable under M.G.L. c. 93A, § 4, and/or by civil contempt sanctions.

153. The titles in this Consent Judgment have no independent legal significance and are used merely for the convenience of the Parties.

154. Massachusetts law shall govern the interpretation and enforcement of this Consent Judgment.

155. In computing any period of time under this Consent Judgment, where the last day would fall on a Saturday, Sunday, or state or federal holiday, the period shall run until the close of business of the next business day.

XII. INTEGRATION

156. Except as expressly set forth in this Consent Judgment, this Consent Judgment sets forth all of the obligations of the Parties and represents the complete and exclusive statement of the Parties with respect to the terms of the settlement agreement embodied by this Consent Judgment; any other representations, communications or agreements by or between or among the Parties shall have no force and effect.

XIII. MODIFICATION

157. The terms of this Consent Judgment may be modified only by Court order or a subsequent written agreement signed by all of the Parties and approved by this Court.

XIV. AUTHORITY OF SIGNATORY

158. Each Defendant agrees that this Consent Judgment is entered voluntarily and represents the entire agreement of the Parties as described in Paragraph 156 above.

159. The person signing this Consent Judgment on behalf of each Defendant acknowledges: (a) that he or she has personally read and understands each of the numbered Paragraphs of this Consent Judgment, including any Schedules, Attachments and Exhibits attached to it; (b) that, to the extent necessary, each Defendant's managers, directors, officers, and board of trustees or committee of such board have consented to each Defendant entering into this Consent Judgment and to its entry as a Final Judgment; and (c) that he or she is authorized to sign and bind each Defendant to the terms of this Consent Judgment.

160. This Consent Judgment may be executed in any number of counterparts and by the Parties on separate counterparts, but all such counterparts shall together constitute one and the same Consent Judgment.

XV. EFFECTIVE AND TERMINATION DATES

161. This Consent Judgment shall be effective when the Court enters the Consent Judgment on the docket.

162. Unless otherwise specified herein, this Consent Judgment shall remain in effect for ten (10) years from the Effective Date.

XVI. FINAL JUDGMENT

163. Upon approval and entry of this Consent Judgment by the Court, this Consent Judgment shall constitute a Final Judgment of the Court.

IT IS SO ORDERED. JUDGMENT is hereby entered in accordance with the foregoing.

By the Court:

_____
JUSTICE, SUPERIOR COURT

_____
Date

The Undersigned Parties enter into this Consent Judgment in the matter of *Commonwealth v. Partners HealthCare System, Inc., South Shore Health and Educational Corporation and Hallmark Health Corporation* (Suffolk Superior Court).

FOR THE COMMONWEALTH OF MASSACHUSETTS

MARTHA COAKLEY
ATTORNEY GENERAL

Christopher K. Barry-Smith
BBO No. 565698
First Assistant Attorney General
Office of the Attorney General
One Ashburton Place, 18th Floor
Boston, MA 02108
(617) 963-2539
Chris.Barry-Smith@state.ma.us

William T. Matlack
BBO No.552109
Assistant Attorney General
Chief, Antitrust Division
Office of the Attorney General
One Ashburton Place, 18th Floor
Boston, MA 02108
(617) 963-2414
William.Matlack@state.ma.us

Dated: September 25, 2014

The Undersigned Parties enter into this Consent Judgment in the matter of *Commonwealth v. Partners HealthCare System, Inc., South Shore Health and Educational Corporation and Hallmark Health Corporation* (Suffolk Superior Court).

PARTNERS HEALTHCARE SYSTEM, INC.

By: /s/ Gary L. Gottlieb
Gary L. Gottlieb, M.D., MBA
Its: President and Chief Executive Officer

Dated: 9/25/2014

800 Boylston Street
Suite 1150
Boston, MA 02199

The Undersigned Parties enter into this Consent Judgment in the matter of *Commonwealth v. Partners HealthCare System, Inc., South Shore Health and Educational Corporation and Hallmark Health Corporation* (Suffolk Superior Court).

SOUTH SHORE HEALTH AND
EDUCATIONAL CORPORATION

By: /s/ Richard Aubut
Richard Aubut
Its: President and Chief Executive Officer

Dated: 9/25/2014

55 Fogg Road
South Weymouth, MA 02190

The Undersigned Parties enter into this Consent Judgment in the matter of *Commonwealth v. Partners HealthCare System, Inc., South Shore Health and Educational Corporation and Hallmark Health Corporation* (Suffolk Superior Court).

HALLMARK HEALTH CORPORATION

By: /s/ Michael V. Sack
Michael V. Sack, FACHE
Its: President and Chief Executive Officer

Dated: 9/25/2014

585 Lebanon Street
Melrose, MA 02176

SCHEDULE 1

1. Community Physicians as of January 1, 2012

The number of Community Physicians referenced in Paragraph 95 of the Consent Judgment and which forms part of the Baseline Community Physician Cap is 2,550 Community Physicians.

2. AMC Community Physicians

The number of AMC Community Physicians referenced in Paragraph 95 of the Consent Judgment and which forms part of the Baseline Community Physician Cap shall be determined in accordance with the definitions and methodology stated in Paragraphs 2 and 28 of the Consent Judgment. Partners and the Attorney General shall meet to apply this methodology to the most recent work relative value units in order to determine and finalize the number of AMC Community Physicians to be included in the Baseline Community Physician Cap, currently estimated to be 220.

3. Baseline Community Physician Cap

The Baseline Community Physician Cap shall be the total of 2,550 Community Physicians from Paragraph 1. above and the FTE of the AMC Community Physicians from Paragraph 2. above.

4. Baseline AMC PCP Cap

The Baseline AMC PCP Cap shall be determined in accordance with Paragraphs 4 and 101 based on Partners' most recent panel size data. Partners and the Attorney General shall meet to apply this methodology to the most recent Partners' panel size in order to determine and finalize the number of AMC PCPs in the Baseline AMC PCP Cap, currently estimated to be 169.

ATTACHMENT A
Restrictions on Partners Price Growth

I. Term and Scope

a. Unit Price Growth Cap, as defined below, and the TME Growth Cap, as defined below, make up the "Price Growth Restrictions."

b. The Price Growth Restrictions will be in place for six and one half years:

i. The Unit Price Growth Cap, as defined below, will be measured beginning on 10/1/2014 and running through 3/31/2021; and

ii. The TME Growth Cap, as defined below, will be measured beginning on 1/1/2015 and running through 6/30/2021.

c. The Price Growth Restrictions will apply to all providers in the Partners Network, including hospitals, outpatient facilities, physicians, health care professionals and all other related Partners-billed services in Massachusetts (except as Partners may elect with regard to the Cooley Dickinson Entities pursuant to Section IV.H. of the Consent Judgment).

d. The Unit Price Growth Cap ("UPGC") will apply to Partners' Commercial Business, including (without limitation) Partners' Commercial Risk Business. The TME Growth Cap will apply to Partners' Commercial Risk Business.

i. The set of Designated Commercial Payers to which this UPGC shall apply are those listed on Exhibit A attached hereto; the set of Risk Arrangements to which the TME Growth Cap shall apply are listed on Exhibit E attached hereto. Neighborhood Health Plan ("NHP"), as a Corporate Affiliate of Partners, shall not be included as a Designated Commercial Payer on Exhibit

A or Exhibit E, regardless of whether it meets any of the qualifications described in Section I.d.iv. or I.d.v. below.

ii. Partners' Commercial Business means the commercial business from all Payer Contracts with the Payers on Exhibit A and/or Exhibit E entered into by Partners on behalf of some or all of the providers in the Partners Network across all of such Payers' products (HMO, PPO, POS, Indemnity) included in such Payer Contracts, including (without limitation) Partners' Commercial Risk Business; provided, however, that the following business with the Designated Commercial Payers listed on Exhibit A and/or Exhibit E shall be excluded:

1. Non-commercial plans or products, i.e., managed Medicare, managed Medicaid.
2. Transplant or other specialty services for which the Payer carves out contracting and management to another company not listed on Exhibit A and/or Exhibit E.
3. Services provided to residents of states other than Massachusetts, Rhode Island, Connecticut, New Hampshire, Vermont and Maine, to the extent Partners has separate pricing for this business.
4. Business for which a Partners Contracting Affiliate contracts separately from Partners, through a Payer Contract (i) to which Partners is not a party and (ii) of which Partners played no role in the negotiation.

iii. Partners' Commercial Risk Business means Partners' Commercial Business for which Partners bears substantial financial risk associated with TME for a population of patients as part of a Payer Contract under which Partners receives from the Payer financial TME data that is sufficient to manage risk. For purposes of this provision, substantial financial risk is defined as the maximum contractual risk that Partners bears on a Payer Contract being equal to at least 5% of payments from the Payer to Partners Network providers included in such Payer Contract for services provided to the relevant population of patients.

iv. Exhibit A shall be amended:

1. To add a Payer with which Partners enters into a commercial Payer Contract on behalf of all or part of the Partners Network that will be actively negotiated over time;
2. To add any commercial Payer that accounts for at least 1% of payments to the Partners Network under commercial Payer Contracts entered into by Partners on behalf of all or part of the Partners Network;
3. Should Partners elect option (ii) of Paragraph 110, to add, after June 1, 2018, any commercial Payer that accounts for at least 5% of payments to the Cooley Dickinson Entities, under (i) commercial Payer Contracts in effect on June 1, 2018 while those Payer Contracts are in effect and/or (ii) commercial Payer Contracts entered into by Partners on behalf of the Cooley Dickinson Entities;

4. To add any commercial Payer that accounts for at least 5% of payments to any Massachusetts Hospital acquired by Partners outside Eastern Massachusetts under (i) commercial Payer Contracts at the time the new Hospital joins the Partners Network while those Payer Contracts are in effect and/or (ii) commercial Payer Contracts entered into by Partners on behalf of the new Hospital;
5. To add sufficient Payers so that the set of Payers included on Exhibit A collectively accounts for at least 90% of payments to the Partners Network under commercial Payer Contracts entered into by Partners on behalf of all or part of the Partners Network, excluding revenues from NHP; and
6. To remove a Payer if all of the existing commercial Payer Contracts Partners has with that Payer are terminated.

v. Exhibit E shall be amended:

1. To reflect any changes to Partners' participation in Risk Arrangements (e.g., Partners enters into a new Risk Arrangement).

e. The Price Growth Restrictions will be applied to the Partners Contracting Components as follows:

i. The UPGC will apply separately to each of the following Partners Contracting Components: (i) AMC Contracting Component, (ii) Community Contracting Component, (iii) Hallmark Health Contracting Component and (iv) South Shore Contracting Component.

ii. The TME Growth Cap will apply to all Partners Contracting Components in aggregate.

II. General Definitions for this Attachment.

a. Quality or Performance Payments: The maximum value of potential payments from Payers to Partners related to quality or performance goals, as measured on a per unit basis (for example, per member per month) where those units are measured consistently across Periods.

b. New Physician Groups: Legally organized groups of 10 or more physicians who join Partners Payer Contracts.

c. Departing Physician Groups: Legally organized groups of 10 or more physicians who leave Partners Payer Contracts.

III. The UPGC is measured with respect to prices in Partners' Commercial Business.

a. UPGC Definitions

i. Payer A/B/C: Identifies particular Designated Commercial Payers and their respective enrollees.

ii. UPGC Baseline Period: The fiscal year immediately preceding each UPGC Measurement Period, e.g., for the first UPGC Measurement Period the UPGC Baseline Period will be fiscal year 2014, i.e., 10/1/13 through 9/30/14.

iii. UPGC Measurement Periods: The first six UPGC Measurement Periods are defined as each of the twelve (12) months running from October through September starting 10/1/14 and ending 9/30/20. The final UPGC Measurement Period is defined as the six (6) months running from 10/1/20 through 3/31/21.

iv. Baseline Set of Services (BSS) for Payer A/B/C: The set of services provided by providers in the Partners Network to Payer A/B/C in the UPGC Baseline Period.

v. Baseline Payments: Total payment by Payer A/B/C to providers in the Partners Network (including any member cost-sharing liabilities) associated with the set of services defined by the BSS and prices in effect during the UPGC Baseline Period.

vi. Measurement Period Payments: Total payment by Payer A/B/C to providers in the Partners Network (including any member cost-sharing liabilities) associated with the set of services defined by the BSS and prices in effect during the Measurement Period.

    1. Baseline Payments and Measurement Period Payments include all payments made by the Payer to Partners or to providers in the Partners Network, including supplemental and outlier payments as well as any payments not directly tied to specific incidents of patient care, for example, Quality or Performance Payments.
    2. Other qualifications related to Baseline Payments and Measurement Period Payments are addressed in Section III.c.iii. below.

vii. Realized Price Increase (RPI) by Payer: The RPI for a Measurement Period is equal to the percent change between the Baseline Payments and the Measurement Period Payments. In any instance in which Partners' contract with the Payer specifies a percentage price change that is applicable to all

services, the RPI equals that contractually specified price change subject to the limitations below.

1. Where a Payer's contract year is different than the UPGC Measurement Period, the RPI will be a blend of two Payer contract year changes. E.g., for a contract where rate changes are effective January 1, 2015, the first UPGC Measurement Period increase would equal (25% x 1/1/14 price change) + (75% x 1/1/15 price change). An example of this calculation is included in Exhibit C.
2. If a Payer makes changes to its reimbursement methodologies (e.g., a change from a per-diem contract to a DRG contract), such changes are generally made on a revenue-neutral basis. This means that Partners' rates are adjusted such that the change in methodology would not impact the RPI. A number of high-level, simplified examples of such revenue-neutral calculations are included hereto in Exhibit I; these examples are illustrative only and not intended to reflect the entirety of such calculations. In such cases, Partners will provide the Compliance Monitor with relevant contract provisions and/or analysis developed in conjunction with the Payer to demonstrate such revenue-neutral rate adjustments. In the event a Payer makes a reimbursement change and Partners' rates are not adjusted in a revenue-neutral manner, Partners will provide to the Compliance Monitor a detailed calculation of the impact on the RPI.

3. If (i) Partners changes the way it bills for certain services, for example, a service is billed for solely as a Professional Service in the UPGC Baseline Period and then as a Professional Service and a Technical Service in the UPGC Measurement Period, and (ii) the total reimbursement for such services in the UPGC Measurement Period is higher or lower than the reimbursement for the services in the UPGC Baseline Period, then (iii) this increase or decrease in reimbursement will be captured by the calculation of the RPI. See example in Exhibit I.
4. In the event that Partners' contract with the Payer does not specify a percentage price change that is applicable to all services, calculation of the RPI may require the intermediate step of weighting any differential price changes based on the Baseline Payments for such services. For example, if Partners and the Payer agree to different percentage rate changes for providers and/or service lines (e.g., inpatient versus outpatient) within one of the four Contracting Components listed in Section I.e.i., the calculation of the RPI will reflect such differential rate changes. See example in Exhibit C.
5. If Baseline Payments include payments made in addition to individual patient claim payments (for example, supplemental payments, discounts other than in relation to individual claim payments, or Quality or Performance Payments) and the percentage change in the per unit amount of those payments (when units are measured

consistently across Periods) is different from the percentage change in unit prices for individual patient claims payments, the magnitude of any such differential percentage changes will be factored in separately in the calculation of the RPI. See example in Exhibit C.

viii. Weighted Price Increase (WPI): Equal to the weighted average RPI across all Payers, where the weight for each Payer is each Payer's Baseline Payments as a proportion of all Payers' Baseline Payments. An example of how the WPI is calculated is provided in Exhibit D.

ix. UPGC: The inflation measurement as set forth below.

b. The UPGC will be the lower of the percentage change in (i) the General Inflation Index or (ii) the Medical Inflation Index for each UPGC Measurement Period.

i. The source for both indices is the Bureau of Labor Statistics (BLS); descriptions and specifications are provided in Exhibit B.

1. General Inflation Index: Northeast Urban Class Size A, All Items Less Shelter Consumer Price Index (CPI).

2. Medical Inflation Index: Northeast Urban Class Size A Medical Consumer Price Index (CPI).

ii. The percentage change in each index will equal the average of the year to year percentage changes for each month during the UPGC Measurement Period, i.e., October through September for the first six periods and October 2020 through March 2021 for the final period. An example calculation is provided in Exhibit B.

iii. Partners will provide the calculation of the UPGC for each UPGC Measurement Period within 15 days of the date on which the indices for September of that UPGC Measurement Period are published by BLS for the first six periods and within 15 days of the date on which the indices for March of that UPGC Measurement Period are published by BLS for the final period.

c. For each UPGC Measurement Period, the WPI shall not exceed the UPGC.

i. For each UPGC Measurement Period, Partners shall provide to the Compliance Monitor the calculation of RPI by Payer and the WPI for each of the four Contracting Components listed in Section I.e.i. above.

ii. Partners will provide all information or data the Compliance Monitor requests as relevant to the Compliance Monitor's responsibility to (i) verify the RPI by Payer and WPI for each of the four Contracting Components listed in Section I.e.i; and (ii) verify whether or not the WPI exceeds the UPGC for each of the four Contracting Components listed in Section I.e.i. If Partners believes that the Compliance Monitor is requesting irrelevant information or data, it may provide Notice to the Attorney General under Section X.A. After receiving notice, Partners and the Attorney General will meet and confer pursuant to Section X.C. concerning Partners' objections to the Compliance Monitor's requests. If the Attorney General does not agree with Partners' objections, Partners may petition the Court.

iii. Qualifications regarding Baseline Payments and Measurement Period Payments to be used in RPI and WPI calculations:

1. Partners will identify any data or system limitations and related adjustments required to report revenue in the manner described herein, e.g., some smaller providers do not routinely report net patient service revenue at the Payer level, in which cases Partners will estimate their commercial revenue by Payer to develop their Baseline Payments. Such adjustments will be minimal and will not materially impact the calculation of RPI.
2. For newly acquired entities, including without limitation the entities that comprise the South Shore Entities and New Physician Groups, the UPGC Baseline Period for a new entity's first RPI calculation will be the fiscal year prior to their joining the Partners Network and the entity's Baseline Payments in that year will equal all payments to the entity in the fiscal year prior to joining the Partners Network as valued at their rates and service volumes in place prior to joining the Partners Network.
3. With respect to Departing Physician Groups, the Baseline Payments will be updated to remove the revenue associated with such physicians for purposes of calculating the first full UPGC Measurement Period after the Departing Physician Group has left. If the Departing Physician Group leaves during a UPGC Measurement Period, the calculation of the RPI for that UPGC Measurement Period will reflect the prorated impact of such group for the proportion of the UPGC Measurement Period during which the group was within Partners

Payer Contracts. For example, if the Departing Physician Group left as of 4/1/15 and was therefore participating in the Partners' Payer Contracts for only six months of the first UPGC Measurement Period, half of their Baseline Payments with respect to such UPGC Measurement Period would be removed for purposes of calculating the RPI for that UPGC Measurement Period.

4. Individual physicians and smaller groups move in and out of Partners' Payer Contracts on a monthly basis; these changes will be considered unit rate neutral and will not be separately measured in the calculations.
5. To the extent Exhibit A is amended per Section I.d.iv above, for purposes of calculating the WPI, the Baseline Payments will be updated by making the following adjustment:
    a. For any new Payer, the new Payer's UPGC Baseline Period for that Payer's first RPI calculation shall be the first fiscal year of Partners' participation with the new Payer with at least six months of claims experience.
        i. The UPGC shall not limit prices to the new Payer in its first UPGC Baseline Period.
        ii. The new Payer will not be combined with other Payers when calculating the WPI; instead, the UPGC will be applied separately to the RPI of that new Payer.

b. For any Payer whose Payer Contracts with Partners are terminated, the revenue associated with the last year of Partners' participation with the Payer will be removed from the relevant Baseline Payments.

    i. For example, if a Payer Contract is terminated effective 9/30/17, Partners' fiscal year 2017 revenue (i.e., 10/1/16 through 9/30/17) with that Payer will not be included in the Baseline Payments for calculation of the WPI for UPGC Measurement Periods starting with the period that is effective 10/1/17 through 9/30/18.

    ii. If the Payer Contract is terminated during a UPGC Measurement Period, the calculation of the WPI for that UPGC Measurement Period will reflect the prorated impact of such Payer for the proportion of the UPGC Measurement Period during which the Payer Contract was in effect. For example, if a Payer Contract was terminated effective 12/31/17 and was therefore in place for only three months of the UPGC Measurement Period 10/1/17 through 9/30/18, three quarters of the Baseline Payments for that Payer would be removed for purposes of calculating the WPI for that UPGC Measurement Period.

d. Remedy if the WPI is above UPGC in a particular UPGC Measurement Period:

i. Partners shall allocate the amount above the UPGC to the Payers whose rates exceeded the UPGC. This allocation will reflect the proportionate amount by which Partners exceeded the UPGC for each of those Payers. An example calculation is provided in Exhibit D.

1. Partners shall notify each affected Payer of the amount owed to that Payer.
2. The Payer will have the option of receiving the payment in the form of a cash settlement, future rate adjustment or other agreed to terms. In the event the Payer elects a future rate adjustment, the value of such adjustment will be added back to the Measurement Period Payments for the period in which such rate adjustment applies so as not to impact the RPI calculation for that Measurement Period. Partners shall report to AGO the method and amount of payment for each affected Payer.
3. Partners and the Attorney General agree that it is their intent that this remedy be for the benefit of the market and as such all refunds to the Payers should be reflected in the cost to the consumers of the Health Insurance Products to which such refunds are applicable.

ii. In addition to making a payment for the amount above the UPGC relevant to a particular Measurement Period, Partners' prices must be adjusted such that the UPGC is satisfied and those adjusted prices shall be the basis for calculating the RPI in subsequent UPGC Measurement Periods.

IV. The TME Growth Cap is measured with respect to TME on Partners' Commercial Risk Business.

a. TME Definitions for this Attachment.

i. Risk Arrangement: An agreement between Partners and a Payer that meets the criteria set forth in Section I.d.iii. above.

ii. Partners' Risk Member: A Payer's member covered by a Risk Arrangement.

iii. Partners' Member Months: A count of the Partners Risk Members over the course of a TME Measurement Period. Each Partners Risk Member who was assigned to a Partners PCP for a given month will equal one Member Month for that month.

iv. TME Baseline Period: For each TME Measurement Period, the TME Baseline Period will be the calendar year immediately preceding the TME Measurement Period. E.g., for the first TME Measurement Period, the TME Baseline Period will be 1/1/14 through 12/31/14.

v. TME Measurement Periods: There will be seven TME Measurement Periods defined as each of the twelve (12) months January through December starting 1/1/15 and ending 12/31/21.

vi. Total Medical Expense (TME): The Payer's total net payment per member per month (PMPM) for all Covered Services as defined by each Payer's benefits. The Payer's total payment includes both the Payer's payments and any member cost sharing liabilities, and includes all payments made by the Payer to the providers in the Partners Network, including without limitation Quality or Performance Payments, supplemental payments, and any outlier payments.

vii. TME Trend: The percentage change in TME from the TME Baseline Period to the TME Measurement Period for each Risk Arrangement, as calculated in Section IV.c. below. See example in Exhibit H.

viii. Weighted TME Trend: Equal to the weighted average TME Trend across all Payers, where the weight for each Payer is each Payer's TME Baseline Period expenses (defined as TME x Partners Member Months) as a proportion of all Payers' TME Baseline Period expenses. See example in Exhibit H.

ix. TME Growth Cap: The benchmark measurement as set forth below at Section IV.b.

b. The TME Growth Cap will be the HPC's annually determined cost growth benchmark, as set forth in Section 9(a) of Chapter 224 of the Acts of 2012 ("HPC Benchmark"), that is applicable to each TME Measurement Period.

c. For each TME Measurement Period, the Cumulative Weighted TME Trend for Partners in aggregate shall not exceed the Cumulative TME Growth Cap.

i. The Cumulative Weighted TME Trend is equal to the multiplicative product of the Weighted TME Trend in the then current Measurement Period and all preceding Measurement Periods.

1. For example, if the Weighted TME Trend in the then current Measurement Period is 3%, and the Weighted TME Trends in the preceding Measurement Periods were 2% and 1%, the Cumulative Weighted TME Trend is equal to 6.11% (1.03 x 1.02 x 1.01 = 1.0611)

ii. The Cumulative TME Growth Cap is equal to the multiplicative product of the TME Growth Cap in the then current Measurement Period and all preceding Measurement Periods.

    1. For example, if the TME Growth Cap in the then current Measurement Period is 3%, and the TME Growth Caps in the preceding Measurement Periods were 2% and 1%, the Cumulative TME Growth Cap is equal to 6.11% (=1.03 x 1.02 x 1.01 = 1.0611)

iii. For each TME Measurement Period, Partners shall provide to the Compliance Monitor the calculation of TME Trend by Payer, the Weighted TME Trend and the Cumulative Weighted TME Trend. The necessary data are generally available by July of the year following each TME Measurement Period.

iv. For each Risk Arrangement, Partners will provide all information or data the Compliance Monitor requests as relevant to the Compliance Monitor's responsibility to (1) verify the TME for each TME Baseline Period and TME Measurement Period and the relevant TME Trend adjustments per Sections IV.c.v., IV.c.vi., and IV.c.vii. below and (2) verify whether or not the Cumulative Weighted TME Trend exceeds the Cumulative TME Growth Cap. If Partners believes that the Compliance Monitor is requesting irrelevant information or data, it may provide Notice to the Attorney General under Section X.A. After receiving notice, Partners and the Attorney General will meet and confer pursuant to Section X.C. concerning Partners objections to the Compliance Monitor's requests. If the Attorney General does not agree with Partners' objections, Partners may petition the Court.

v. The treatment of groups leaving/joining Partners will be handled in a manner consistent with the Risk Arrangements, except in cases where there is a conflict with the provisions in this Section IV.c.v, in which case the provisions in this Section would apply.

    1. For the entities that comprise the South Shore Contracting Component and New Physician Groups, the TME Baseline Period for their first TME Trend calculation will be the calendar year prior to that entity joining the Partners Network and the entity's TME in their first TME Baseline Period will equal the expenses as valued at the rates and volumes in place prior to joining the Partners Network.
    2. For any New Physician Group that does not have sufficient data to calculate that group's TME in their first TME Baseline Period, the New Physician Group's first TME Baseline Period shall be the first full calendar year they are members of the Partners Network (e.g., a group that joins the Partners Network on 10/1/2015 would have a TME Baseline Period of 1/1/2016 – 12/31/2016) and its TME will be calculated based on expenses during that TME Baseline Period.

vi. To the extent Exhibit E is amended per Section I.d.v. above, the baseline will be updated to reflect any changes to Partners' participation in Risk Arrangements with a Payer.

    1. For any New Risk Arrangement with a Payer not listed on Exhibit E, the new Payer's TME Baseline Period shall be either (i) the Baseline Period agreed to by Partners and the Payer or, if TME for that period is

inappropriate as determined by the Compliance Monitor, (ii) the calendar year they are added to Exhibit E, in which case the subsequent calendar year will be the first year the New Risk Arrangement will be included in the measurement.

2. For any Payer whose Risk Arrangement is terminated, the expenses associated with the last year of Partners' participation in the Risk Arrangement with that Payer will be removed from the relevant Baseline Payments.

vii. The calculation of TME Trend for each Risk Arrangement will include the following adjustments:

1. Health Status: TME Trend will be adjusted for normalized health status change year to year. This will be calculated by dividing the change in risk scores for Partners' Risk Members by the change in risk scores for the rest of the Payers' risk population, as reported by each Payer. Exhibit F attached herein includes an explanation of health status and its application.
2. Pharmacy Benefit: This is a factor to account for the change in the proportion of Partners' Risk Members who have a pharmacy benefit through the Payers. Exhibit G attached herein includes an explanation and an example calculation of this adjustment.
3. Other Benefit Changes: If a Payer changes the services covered by a Risk Arrangement for all or a subset of Partners Risk Members, such changes will be reflected in the calculation of TME in the TME

Baseline Period and the TME Measurement Period or in an appropriate adjustment to TME Trend, such as the Pharmacy Benefit adjustment above.

4. If Partners enters into Payer Contracts for which the set of Covered Services differs significantly across Payers or Health Insurance Products (e.g., covers significantly more or less services or benefits), and the difference is not accounted for in calculating the TME through the adjustments identified in Section IV.d.vii.2-3 above, the TME Trend for those Covered Services shall be calculated separately for inclusion in the Weighted TME Trend.
5. Surplus/Deficit: TME for the TME Measurement Period will include any contractual surplus/deficit amount paid to/from Partners under each Payer's Risk Arrangement. This will be an addition of PMPM surpluses or subtraction of PMPM deficits.
6. UPGC Remedy: In the event that (a) Partners exceeds the UPGC in any given TME Measurement Period and (b) Partners has a Risk Arrangement with a Payer that is included in the allocation of the amount above the UPGC as set forth in Section III.d.i. above, the TME for the TME Measurement Period for such Risk Arrangement shall be reduced by the amount of the UPGC payment to the Payer that relates to Partners' Commercial Business included in the Risk Arrangement. For example, if the UPGC payment applicable to a particular TME Measurement Period was $1,000,000 and Partners' Commercial

Business included in the Risk Arrangement represented 25% of the total amount of Partners' Commercial Business with the Payer, then the TME for the TME Measurement Period would be reduced by $250,000.

d. Remedy if Partners Cumulative Weighted TME Trend is above the Cumulative TME Growth Cap

    i. In any case where the Cumulative Weighted TME Trend is above the Cumulative TME Growth Cap Partners shall allocate the amount above the Cumulative TME Growth Cap to the Designated Commercial Payers with Risk Arrangements that exceeded the Cumulative TME Growth Cap. This allocation will reflect the proportionate amount by which Partners exceeded the Cumulative TME Growth Cap for each of those Payers. An example calculation is included in Exhibit H.

        1. Partners will notify each affected Payer of the amount due to that Payer.
        2. Partners will provide a cash settlement within a timeframe to be agreed upon by Partners and each Payer.
        3. For the final Measurement Period, Partners shall owe 50% of any amount above the Cumulative TME Growth Cap as calculated for the entire calendar year. This provision reflects the fact that the term of the TME Growth Cap restriction ends June 30, 2021; this approach is necessary due to the complexity of measuring TME performance for a

partial year and the absence of settlement processes with the Payers for this period.

4. Partners and the Attorney General agree that it is their intent that this remedy be for the benefit of the market and as such all refunds to the Payers should be reflected in the cost to the consumers of the Health Insurance Products to which such refunds are applicable.

ii. Unanticipated market conditions: In the event that (1) Partners exceeds the TME Growth Cap in any given TME Measurement Period; and Partners is able to demonstrate that it exceeded the TME Growth Cap in whole or in part due to unanticipated market conditions that affect utilization, e.g., a pandemic or government imposed change mandating expanded benefits, Partners may provide Notice to the Attorney General under Section X.A. and request an increase to the TME Growth Cap by the amount of the impact related to such market conditions. Upon such Notice, Partners and the AGO shall meet and confer pursuant to Section X.C. concerning the request. If Partners and the Attorney General agree to modify this term with respect to a given TME Measurement Period, they shall jointly present a modification to the Court. If the Attorney General does not agree to Partners' request for a modification, Partners may petition the Court to modify this term in light of the unanticipated conditions.

1. Partners and the Attorney General agree that, notwithstanding the above, should the statewide average commercial TME trend for non-Partners providers in any TME Measurement Period exceed the HPC

Benchmark relevant to such TME Measurement Period by more than 2%, this will constitute an "unanticipated market condition." In the absence of a State published commercial TME trend for non-Partners providers, Partners and the Attorney General agree to use data as provided by the Payers.

2. Partners and the Attorney General further agree that if the unanticipated market condition described in Section IV.d.ii.1. above occurs, absent a compelling reason asserted by the Attorney General, Partners' TME cap for that TME Measurement Period will be adjusted upward by the percentage amount by which the non-Partners statewide average commercial TME trend exceeds this 2% corridor above the HPC Benchmark. For example, if the HPC cost growth benchmark is 4% and the non-Partners provider statewide TME annual trend is 7%, the statewide annual trend would be 1% above the 2% corridor and Partners' adjusted TME Growth Cap would be increased by that 1% to 5%.

Exhibit A

Payers Included in Calculation of Partners Unit Price Growth Restrictions on Commercial Business

Blue Cross Blue Shield of Massachusetts
Harvard Pilgrim Health Care (including HPHC “Alliance” products with United)
Tufts Health Plan (including THP “Alliance” products with CIGNA)
Fallon
GIC/Unicare
Aetna
CIGNA
United
PHCS/Multiplan
Coventry/HCVM
United Behavioral Health

Exhibit B

UPGC Indices and Example Calculation

I. Northeast Urban Size Class A – All Items Less Shelter

- The A population size class represents all metropolitan areas over 1.5 million.
- All Items Less Shelter includes all Items measured for CPI excluding housing.
- BLS Specification:

  Series Id: CUURA100SA0L2, CUUSA100SA0L2

  Not Seasonally Adjusted

  Area: Northeast urban - Size Class A

  Item: All items less shelter

  Base Period: 1982-84=100

II. Northeast Urban Size Class A – Medical Items

- The A population size class represents all metropolitan areas over 1.5 million.
- Medical care indexes are limited to items with an out-of-pocket expenditure, although in the case of medical care the term out-of-pocket includes any health insurance premium amounts that are deducted from employee paychecks.
- BLS Specification:

  Series Id: CUURA100SAM, CUUSA100SAM

  Not Seasonally Adjusted

  Area: Northeast urban - Size Class A

  Item: Medical care

  Base Period: 1982-84=100

III. Example Calculation – illustration using All Items Less Shelter CPI

Sample Calculation as if the first Measurement Period was FY 2013, i.e., 10/1/12-9/30/13

Monthly Indices for Fiscal Year Ending September 2012

Calendar Year	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012	2012	2012
Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Index	223.726	223.140	222.251	223.200	224.265	225.681	226.583	225.961	225.071	224.588	226.410	227.954

Monthly Indices for Fiscal Year Ending September 2013

Calendar Year	2012	2012	2012	2013	2013	2013	2013	2013	2013	2013	2013	2013
Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Index	227.726	227.492	226.406	227.552	229.166	229.155	228.754	228.471	228.650	229.104	229.039	229.751
Year-to-Year Percentage Change	***1.8%***	***2.0%***	***1.9%***	***1.9%***	***2.2%***	***1.5%***	***1.0%***	***1.1%***	***1.6%***	***2.0%***	***1.2%***	***0.8%***

Average of 12 months ***1.6%***

The percentage change will be rounded off at one decimal place.

Exhibit C

Example RPI by Payer Calculations

The following example illustrates the calculation of RPI by Payer, using the AMC Contracting Component and a contract where the rate increases are made on a calendar year.

	A	B	C	D	E
AMC Category	**Payer A Baseline Period Payments**	**Payer A FY15 Measurement Period Increase**			**Payer A Measurement Period Payments A x (1 + D)**
		CY 14 Increase	**CY 15 Increase**	**FY 15 Increase** (0.25 x B) + (0.75 x C)	
AMC Hospitals	$168,000,000	2.20%	2.50%	2.43%	$172,074,000
McLean Hospital	$25,000,000	1.50%	1.75%	1.69%	$25,421,875
Spaulding Boston	$37,500,000	1.60%	1.45%	1.49%	$38,057,813
AMC POs	$75,000,000	1.50%	1.25%	1.31%	$75,984,375
Physicians at Statewide	$5,250,000	1.80%	1.00%	1.20%	$5,313,000
New Physician Groups	$2,250,000	2.00%	10.00%	8.00%	$2,430,000
Infrastructure Payments	$1,000,000	1.50%	1.50%	1.50%	$1,015,000
Supplemental Payments	$5,000,000	2.50%	1.80%	1.98%	$5,098,750
Quality or Performance Payments	$1,000,000	0.00%	0.00%	0.00%	$1,000,000
Total	$320,000,000			2.00%	$326,394,813

RPI by payer will be calculated as the sum of the Measurement Period Payments / the sum of the Baseline Payments – 1 (e.g. $326,394,813 / $320,000,000 – 1 = 2.00%).

Exhibit D

Example Calculation of UPGC Payback

		Payer A	Payer B	Payer C	TOTAL
A	UPGC Baseline Payments	$320,000,000	$95,000,000	$175,000,000	$590,000,000
B	Payer RPI and WPI	2.00%	1.15%	2.36%	1.97%
C	UPGC				1.50%
D = (B – C) x A	Amount above/(below) UPGC	$1,600,000	($322,500)	$1,505,000	$2,772,500
E = (B – C) x A	Payer Specific Amount Above UPGC for Allocation	$1,600,000	-	$1,505,000	$3,105,000
F = Payer E / Total E	Proportion of Amount above UPGC for Allocation	51.5%		48.5%	
G = Total D x F	Allocation of Amount above UPGC to each Payer	$1,428,663		$1,343,837	$2,772,500
H	Measurement Period Payments	$326,400,000	$96,092,500	$179,130,000	$601,622,500
I = (G x -1) / H	Price adjustment to be incorporated into Baseline Payments for next RPI calculation	-0.44%	-	-0.75%	

Exhibit E

Risk Arrangements Included in Calculation of Partners TME Growth Restrictions on Partners' Commercial Risk Business

BCBSMA – Fully Insured and Self Insured HMO/POS members

HPHC– Fully Insured HMO/POS members

THP – Fully Insured HMO members

Exhibit F
TME Trend Health Status Adjustment

I. Overview

Health Status or Risk Score is a measurement of the illness burden of a population. There are a few companies and CMS that have created Health Status models to measure this illness burden, for the most part providers and payers in Massachusetts are using a Verisk DxCG model. The Verisk DxCG model takes into account the age, gender, and diagnoses of each member and calculates a risk score. It uses this information to calculate the expected resources needed to provide care for a member based on those characteristics and groups them in HCCs (Hierarchal Condition Categories) with an associated weighting based on total annual costs. The model relies on information from claims data and therefore only accounts for diagnoses billed on a claim submitted to the Payer by a provider. There are generally 2 variations of models provided by Verisk, a prospective model that will utilize prior year claims to project future risk scores of a population or a concurrent model that utilizes current year claims to explain the illness of a population. Partners' Risk Arrangements all utilize the concurrent model as the method of measuring the change of the risk scores for our members.

II. Application

Below is an example calculation of the normalized health status adjustment per Section IV.c.vii.1. above.

Example: in this example the PHS Health Status score has increased by 1.82% and the Health Status score for the rest of the Payer's risk population increased by 0.96%. The difference of 0.85% (1.82% / 1.57%) is the level of the normalized adjustment to the Measurement Period TME. For illustration, if the Measurement Period TME was $420.00 PMPM, the Health Status adjustment would decrease it to $416.46 ($420.00 / 1.0085). In this case, the PMPM decreases because the health status of our population increased more than the non-Partners population in the Measurement Period and so our corresponding TME was artificially high relative to the baseline.

		PHS	Non-Partners
A	Baseline Period Health Status Score	1.1000	1.0925
B	Measurement Period Health Status Score	1.1200	1.1030
C = (B/A)	Health Status Score Change	1.0182	1.0096
D = PHS C / Non-PHS C	Normalized Health Status Change	1.0085	

Note: Health Status scores will reflect the approach used in the Risk Arrangements with respect to the number of decimal places used in the above calculation; generally four decimal places.

Exhibit G

Example TME Trend Pharmacy Adjustment Calculation

Members without a plan-sponsored pharmacy benefit will have no pharmacy claims and therefore a lower TME than members who do have a plan-sponsored pharmacy benefit. The purpose of this adjustment to trend measurement is to account for the impact on TME of the year over year change in the percentage of members without pharmacy coverage through the involved Payer. The calculation weights the proportion of Member Months for members without a pharmacy benefit at 0.84, which reflects the fact that TME comprised by pharmacy expenses has historically been about 16%.

Baseline Period Calculation	
A Percentage of Member Months Correlated to Members with a Pharmacy Benefit	80.0%
B Percentage of Member Months Correlated to Members without a Pharmacy Benefit	20.0%
C Pharmacy Benefit Factor for Members with a Pharmacy Benefit	1.00
D Pharmacy Benefit Factor for Members without a Pharmacy Benefit	0.84
E Baseline Period Pharmacy Benefit Score (A x C + B x D)	0.9680
Measurement Period Calculation	
F Percentage of Member Months Correlated to Members with a Pharmacy Benefit	79.0%
G Percentage of Member Months Correlated to Members without a Pharmacy Benefit	21.0%
H Pharmacy Benefit Factor for Members with a Pharmacy Benefit	1.00
I Pharmacy Benefit Factor for Members without a Pharmacy Benefit	0.84
J Measurement Period Pharmacy Benefit Score (F x H + G x I)	0.9664
K Change in Pharmacy Benefit Score Factor (J / E)	0.9984

The Measurement Period TME shall be adjusted by the Change in Pharmacy Benefit Score Factor. Using the above example, if the Measurement Period TME was $420.00 PMPM, the pharmacy adjustment would increase it to $420.67 ($420.00 / 0.9984). In this case, the PMPM increases because we had more people without a pharmacy benefit in the measurement period and so the corresponding PMPM was artificially low relative to the baseline.

Exhibit H

Example TME Calculations

I. Payer's TME Trend calculation

A	Baseline Period TME	$400.00
B	Baseline Period Quality Incentive Potential	$3.00
C	Final Baseline Period TME	$403.00
D	Measurement Period TME	$430.00
E	Change in Pharmacy Benefit Score Factor	0.9984
F	Normalized Health Status Factor	1.0085
G = (D / E) / F	Adjusted Measurement Period TME	$427.06
H	Measurement Period Quality Incentive Potential	$3.10
I	Measurement Period Surplus/(Deficit)	($4.00)
J	Measurement Period Unit Price Growth Cap Payback *	($0.30)
K = G + H + I + J	Final Measurement Period TME	$425.86
L = K / C - 1	Payer TME Trend	5.67%

* This example uses the Payer A illustration from Exhibit D; assumes 25% of Payer A Commercial Business is included in the Risk Arrangement and translates the value of the allocated payback to a PMPM based on Payer A Member Months ($1,428,663 x 25% / 1,200,000 = $0.30 PMPM)

II. Partners Weighted TME Trend calculation

		Payer A	**Payer B**	**Payer C**	**TOTAL**
A	Member Months	1,200,000	600,000	300,000	2,100,000
B	Final Baseline Period TME	$403.00	$402.25	$480.67	
C = A x B / 1,000,000	Final Baseline Period Total Expenses ($M)	$483.6	$241.4	$144.2	$869.15
D	Payer TME Trend	5.67%	4.25%	3.19%	
E = B x D	Final Measurement Period TME	$425.86	$419.35	$496.00	
F = A x E / 1,000,000	Final Measurement Period Total Expenses ($M)	$511.0	$251.6	$148.8	$911.4
G = F / C	Weighted TME Trend				4.87%

III. Partners Cumulative Weighted TME Trend versus Cumulative TME Growth Cap

		Weighted TME Trend	**TME Growth Cap**
A	Measurement Period 1 - Annual	4.00%	3.60%
B	Measurement Period 2 - Annual	5.20%	3.60%
C	Measurement Period 3 - Annual	1.30%	2.50%
D	Measurement Period 4 - Annual	4.87%	4.20%

		Weighted TME Trend	TME Growth Cap
E = (1+A) x (1+B) x (1+C) x (1+D) - 1	Measurement Period 4 - Cumulative	16.22%	14.63%
F = Trend E – Cap E	Measurement Period 4 - Amount Over / (Under) Cap	1.59%	

IV. TME Payback calculation

		Payer A	Payer B	Payer C	TOTAL
A	Member Months	1,200,000	600,000	300,000	2,100,000
B	Measurement Period TME	$425.86	$430.00	$425.00	$426.92
C	Cumulative TME Trend by Payer and in Total	16.90%	16.40%	14.00%	16.22%
D	Cumulative TME Growth Cap				14.63%
E = (C – D) x (A x B)	Amount above TME Growth Cap in Total				$14,253,664
F = (C – D) x (A x B)	Payer Specific Amount Above TME Growth Cap	$11,583,225	$4,557,881	-	$16,141,106
G = Payer F / Total F	Proportion of Amount above TME Growth Cap	72%	28%	-	
H = E x G	Amount above TME Growth Cap attributed to each Payer	$10,228,753	$4,024,911	-	

Exhibit I

Example Revenue Neutral Price Calculations

Change in Contract Structure from Per Diem to DRG						
Baseline Set of Services			*Baseline Period*		*Revenue Neutral Prices*	
DRG	**Volume (Discharges)**	**Length of Stay (Total Days)**	**Per-Diem Price**	**Baseline Payments (Per-Diem Price x Length of Stay)**	**Revenue Neutral DRG Prices**	**Payments Under Revenue Neutral Prices (Revenue Neutral DRG Price x Volume)**
1	10	15	$1,000	$15,000	$2,000	$20,000
2	5	10	$1,000	$10,000	$2,500	$12,500
3	5	20	$1,500	$30,000	$5,000	$25,000
4	12	75	$1,500	$112,500	$8,000	$96,000
5	5	35	$1,500	$52,500	$13,300	$66,500
			Total	$220,000	**Total***	$220,000

* Must equal Total Baseline Payments

Bundling Services (Services A,B,…,H become 1,2,3,4)			
Baseline Set of Services		*Baseline Period*	
Service	**Volume**	**Price**	**Baseline Payments**
A	100	100	$10,000
B	70	50	$3,500
C	5	75	$375
D	45	150	$6,750
E	20	500	$10,000
F	60	300	$18,000
G	100	25	$2,500
H	400	250	$100,000
		Total	$151,125
Baseline Set of Services		*Revenue Neutral Prices*	
Services Above Collapsed Into Bundles	**Volume**	**Revenue Neutral Prices**	**Payments Under Revenue Neutral Prices**
1	35	$1,000	$35,000
2	10	$1,300	$13,000
3	30	$2,000	$60,000
4	25	$1,725	$43,125
		Total*	$151,125

* Must equal Total Baseline Payments

Splitting Services
(Service A becomes A1,A2,A3)

Baseline Set of Services		*Baseline Period*	
Service	**Volume**	**Price**	**Baseline Payments**
A	100	$100	$10,000
		Total	$10,000
Baseline Set of Services		*Revenue Neutral Prices*	
Service Above Split Into Services A1,A2,A3	**Volume**	**Revenue Neutral Prices**	**Payments Under Revenue Neutral Prices**
A1	100	$70	$7,000
A2	100	$20	$2,000
A3	100	$10	$1,000
		Total*	$10,000

* Must equal Total Baseline Payments