

Policy Title: Financial Guarantee			
Department Responsible: THN Network Development	Policy Number: OP-008	THN's Effective Date:	Next Review/Revision Date: September 30, 2024
Title of Person Responsible: Director Payor Relations and Contracting	THN Approval Council: THN Operations Committee	Date Approved: June 8, 2023	

- I. **Purpose.** The purpose of OP-008 is to outline the policies of the THN related to its ability to repay any Shared Losses and Other Monies Owed for which it may be liable under the ACO REACH Model.
- II. **Policy.** It is the policy of THN to maintain a Financial Guarantee as required under Section 12.05 of the ACO REACH PA for repayment of amounts owed to CMS.
- III. **Procedures.**
 - A. THN must obtain a Financial Guarantee in one or more of the following forms:
 1. Funds placed in escrow;
 2. A line of credit as evidenced by a letter of credit upon which CMS may draw; or
 3. Surety bond.
 - B. THN must submit documentation demonstrating compliance with the Financial Guarantee requirements for each Performance Year. Any changes to this Financial Guarantee must be approved by CMS in advance.
 - C. THN may only terminate the Financial Guarantee on or after the date on which:
 1. The settlement report for Final Financial Settlement for THN's final Performance Year is deemed final, if the report indicates that THN does not owe any Shared Losses or Other Monies Owed for any Performance Year and CMS has not notified THN that it intends to reopen any settlement report;
 2. THN has made payment in full to CMS for all Shared Losses or



Other Monies Owed for every Performance Year in which THN has participated.

- D. In the event THN owes CMS Shared Losses or Other Monies Owed as a result of a final settlement report, or revised settlement report upon reopening, THN shall pay CMS in full within 30 days after the date of the demand letter unless a later date and time has been accepted and approved by CMS.
- E. In the event THN owes CMS Shared Losses or Other Monies Owed as a result of a final settlement report, or revised settlement report upon reopening, THN shall pay CMS in full within 30 days after the relevant settlement report is deemed final.
- F. THN maintains compliance with applicable state licensure requirements regarding risk-bearing entities in each state in which it operates

Date	Reviewed	Revised	Notes
May 2023			New REACH policy