

ACO Congress

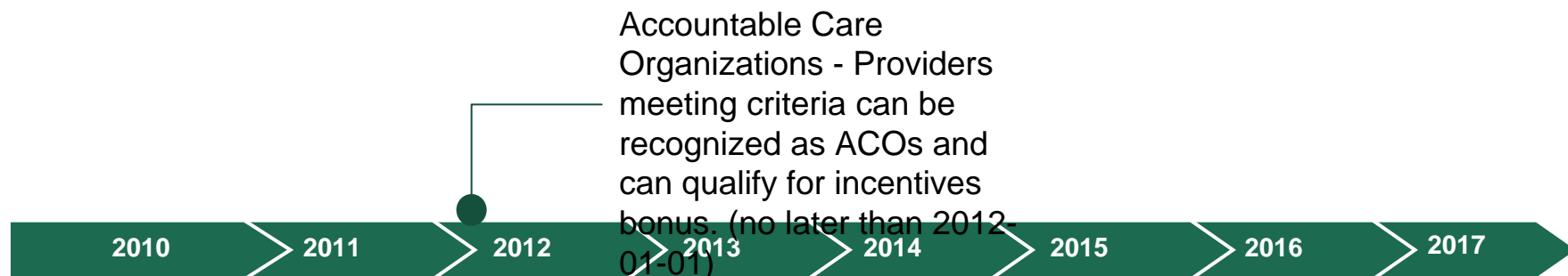
November 18, 2010

Today's discussion

1. Healthcare reform's bending the curve "strategy"
2. ACO requirements and implications
3. Election implications

Accountable Care Organizations: Healthcare reform provision

- **Broad range of providers able to initiate ACOs**
- Accountability for total cost, quality and care of beneficiaries
- 3-year participation commitment
- Legal structure to receive and distribute savings
- Primary care physicians to cover a minimum of 5,000 Medicare beneficiaries
- Defined processes for evidence-based medicine and patient engagement, quality and cost measures reporting and telehealth, remote patient monitoring, etc.
- Patient-centeredness
- No participation in other government-based shared savings demonstration projects
- **Allows CMS to join existing ACOs with payment models beyond fee-for-service**
- **CMS may give preference to ACOs already contracting with private market**
- Saves \$4.9 B over 10 years
- Allows pediatric providers to form ACOs through state Medicaid programs (2012)

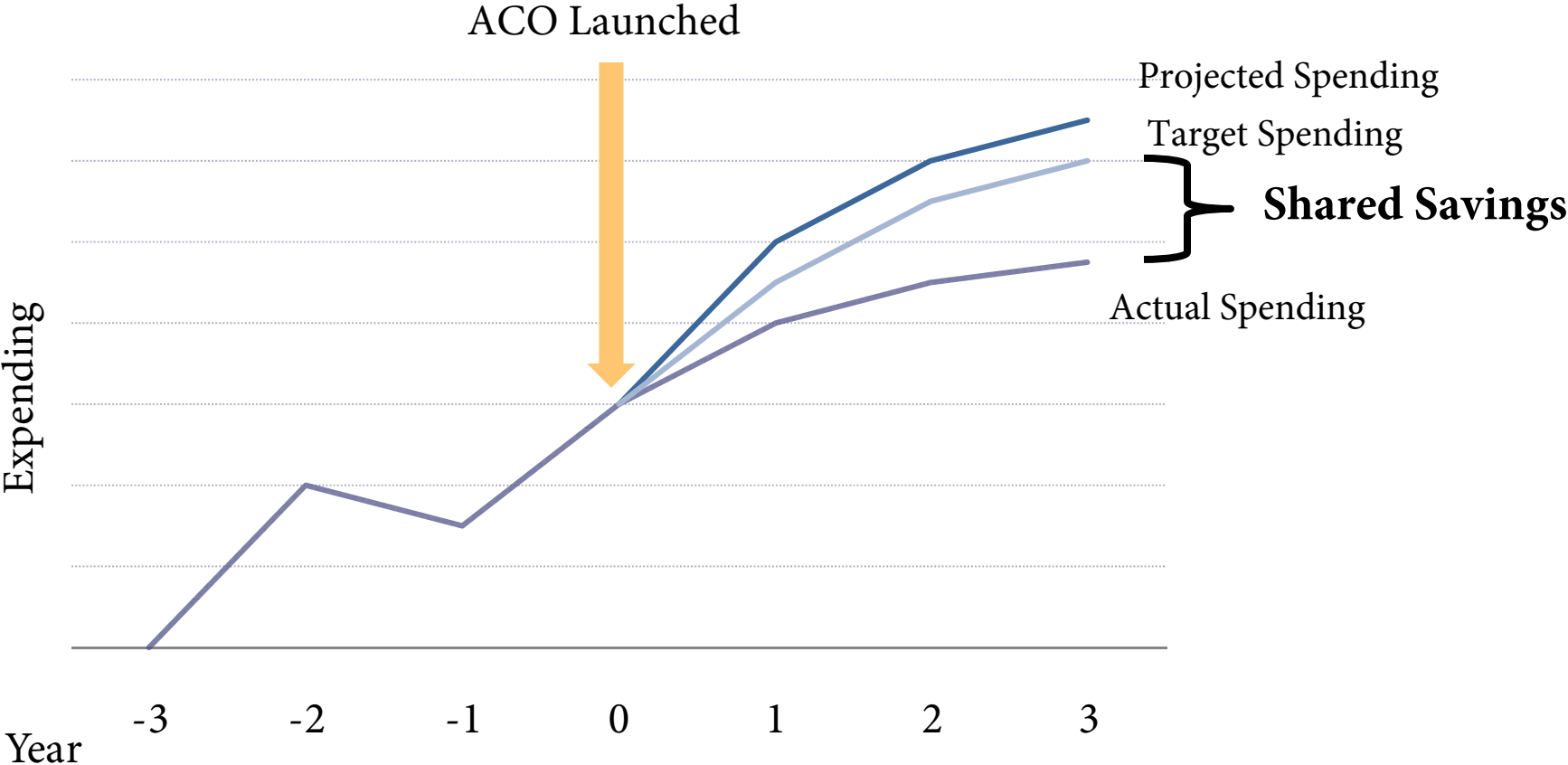


ACO Participation Requirements:

Healthcare reform provision

- Providers eligible to participate in ACOs:
 - Hospitals employing ACO professionals
 - ACO professionals in group practice arrangements
 - Networks of individual practices of ACO professionals
 - Partnerships or joint venture arrangements between hospitals and ACO professionals
 - Other groups of providers that the Secretary deems appropriate
- ACOs must meet certain quality thresholds:
 - Clinical processes and outcomes
 - Patient and caregiver perspectives on care
 - Utilization and costs

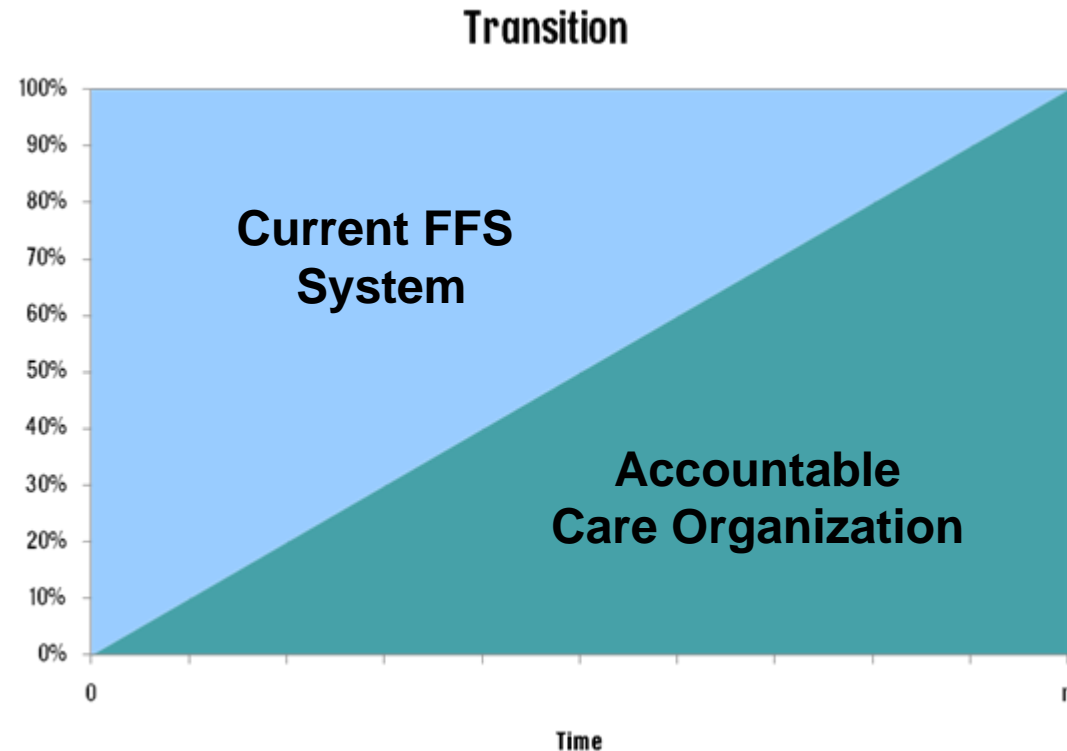
ACO shared savings



Source: Lewis, Julie. "What Could be Next for Health Reform? The Debate In Washington" Presentation. The Dartmouth Institute for Health Policy & Clinical Practice. 2009-07-02.

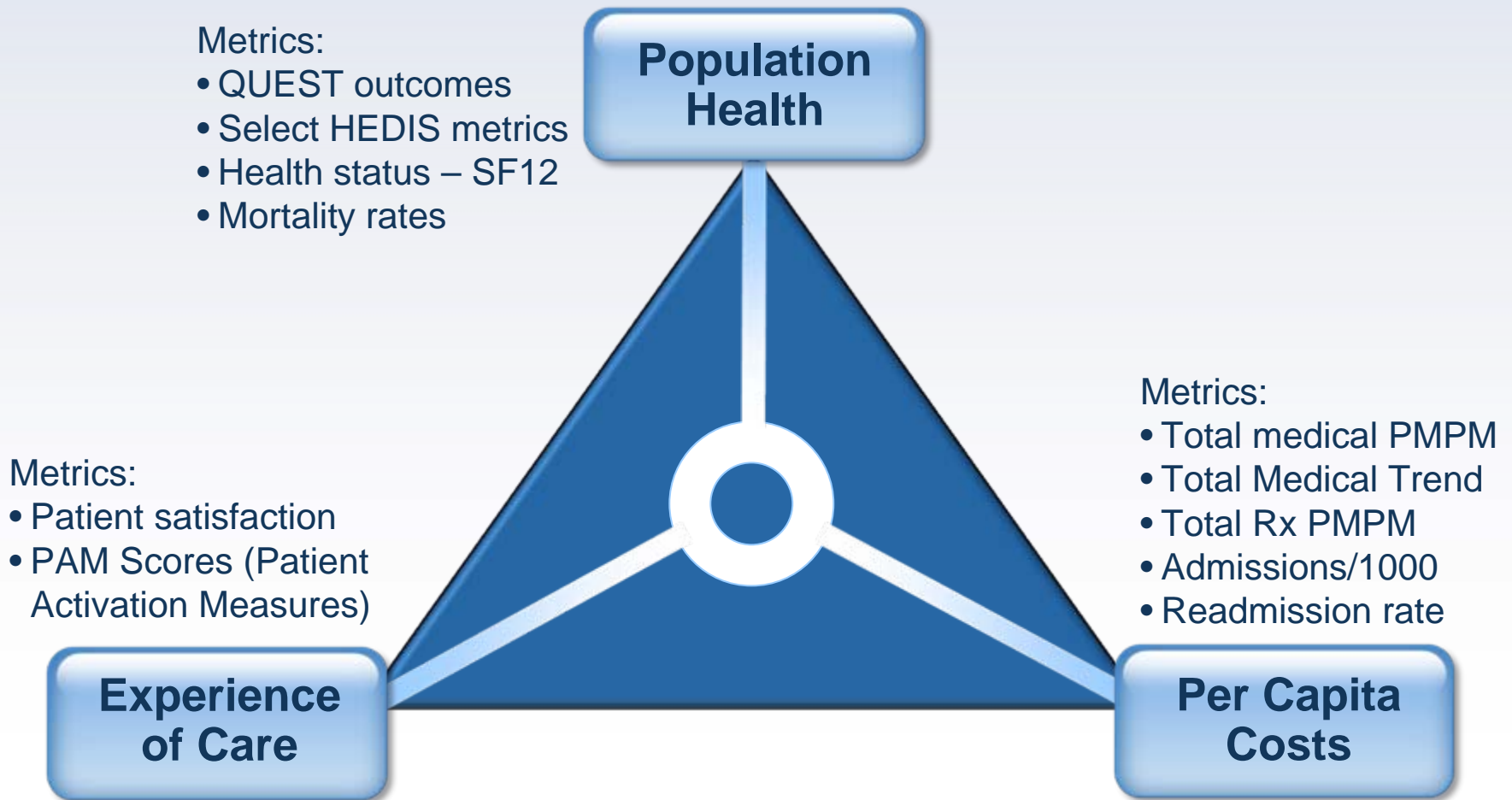
Movement Towards ACO Raises Key Questions

- What is the COST impact of delivering accountable care?
- What is the REVENUE impact of delivering accountable care?
- What is the COST impact of building an ACO?
- How do you manage the hospital and physician relationship through transition to an ACO?
- How do you manage two parallel entities through the transition?
- How do you manage the



Definition of Success:

Improving triple aim™ population outcomes



The term triple aim is a trademark of the Institute for Healthcare Improvement

Washington Developments

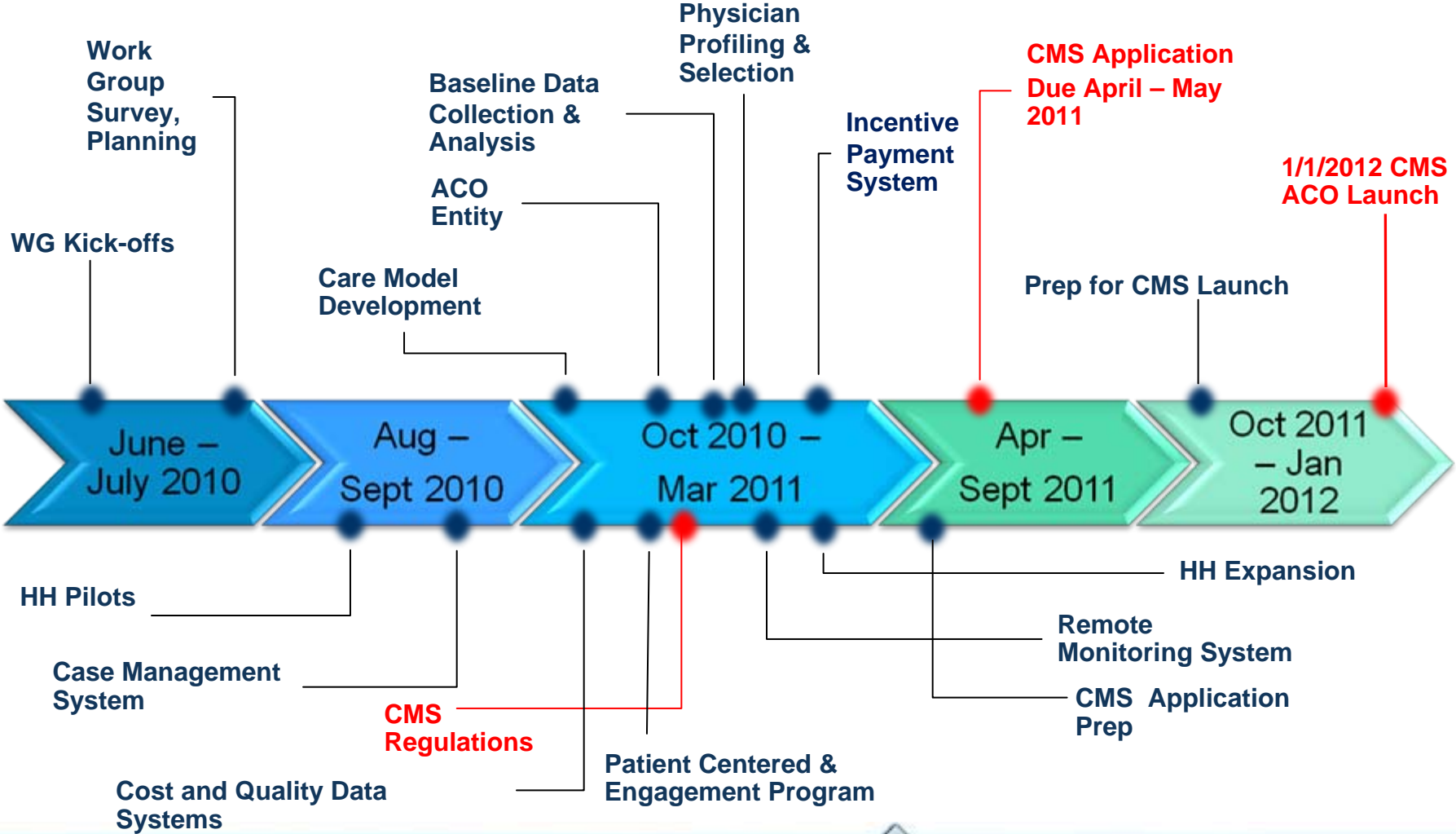


- 6/22, met with FTC
- 6/24, participated in 1st CMS listening session
- 8/4, meeting with senior White House officials and related federal agencies
- 9/8, participated in small group CMS listening session
- 9/13, MedPAC meeting on ACOs
- 9/21, DeParle presentation at Premier ; meeting with Rogers
- >80 lawmaker meetings held
- 10/4, Premier meeting with CMS, WH
- 10/5, FTC/OIG/CMS workshop
- Fall/winter 2010, commenting on regulation

Hot button issues on ACOs

- Debate around criteria (Test/prove/scale vs. let “a thousand flowers bloom”)
- Definition of an ACO (size, payment model, provider types)
- Clinicians (split, type)
- Quality measures
- Data access and data capacity/EHR
- Assignment/attribution
- Market concentration
- Legal barriers
- Size (capacity/statistical validity)/Rural?
- Beneficiary transparency (information access and opt in/out)

Action is necessary to meet possible CMS timetable



Key federal agency officials impacting ACOs



Jonathan Blum
Deputy Administrator
Center for Medicare,
CMS



Donald Berwick, MD, MPP
Administrator, CMS



Katherine Sebelius
Secretary
Department of HHS



Daniel Levinson
Inspector General
HHS



Douglas Elmendorf
Director
CBO



Nancy Ann DeParle
Director
White House Office of
Health Reform



Rahm Emanuel
Chief of Staff
White House



Eric Holder
Attorney General
DOJ



Jon Leibowitz
Chairman
FTC



Sharis Arnold Pozen
Chief of Staff
Antitrust Division, FTC

Election Implications: Key lawmakers impacting ACOs

House Ways & Means Committee



Pete Stark (D-CA)
Chairman

House Energy & Commerce Committee



Henry Waxman (D-CA)
Chairman

Senate Finance Committee



Max Baucus (D-MT)
Chairman

House Leadership



Nancy Pelosi
House Speaker



Steny Hoyer (D-MD)
House Majority Leader



Dave Camp (R-MI)
Ranking member



Fred Upton (R-MI)



Charles Grassley (R-IA)
Ranking Member



John Boehner (R-OH)
House Minority Leader



Eric Cantor (R-VA)
House Republican Whip



Charles Boustany (R-LA)



John Shimkus (R-IL)



Orrin Hatch (R-UT)



Questions?