



Fifth Annual National ACO Summit

June 18-20, 2014

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THE FIFTH
NATIONAL

Accountable Care Organization Summit

The Leading Forum on
Accountable Care Organizations
and Related Delivery System
and Payment Reform

Keynote Address

Michael Leavitt

Founder and Chairman, Leavitt Partners; Former Governor of Utah; Former US Secretary of Health and Human Services, Salt Lake City, UT

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Closing Plenary Session

The Future of ACOs: Anticipated Regulatory and Policy Changes

Mark McClellan, MD, PhD

Senior Fellow and Director, Health Care Innovation and Value Initiative, The Brookings Institution; Former CMS Administrator and FDA Commissioner, Washington, DC

Elliott Fisher, MD, MPH

Director, The Dartmouth Institute for Health Policy and Clinical Practice; James W. Squires Professor of Medicine, Geisel School of Medicine at Dartmouth

Some Key Challenges Discussed



- Communicating and internalizing ACO mission, organization-wide
- Legal and operational barriers of ACO formation while addressing potential anticompetitive concerns
- Aligned performance goals and performance measures, including alignment across payers
- Effective platform and methods for data analytics and management
- Timely data sharing and IT connectivity that supports providers at the point of care in real time
- Developing new provider-payer financial and organizational arrangements
- Management and governance with physician leadership and community engagement
- Creating strategies to help smaller and less developed ACOs succeed
- Engaging and activating patients as members of the ACO
- Effectively integrating pharmaceuticals into ACOs
- Managing individual, population, and community health simultaneously

Next Steps for the Medicare ACO Program



Issue Brief: How to Improve the Medicare Accountable Care Organization (ACO) Program

JUNE 2014

Authors: Mark McClellan, Director, Health Care Innovation and Value Initiative and Senior Fellow; Ross White, Project Manager; Larry Kocot, Visiting Fellow; The Engelberg Center for Health Care Reform at Brookings.

Introduction

Recent data suggest that Accountable Care Organizations (ACOs) are improving important aspects of care and some are achieving early cost savings, but there is a long way to go. Not all ACOs will be successful at meeting the quality and cost aims of accountable care. The private sector has to date allowed more flexibility in terms of varying risk arrangements—there are now over 250 accountable care arrangements with private payers in all parts of the country—with notable success in some cases, particularly in ACOs that have been able to move farther away from fee-for-service payments. Future growth of the Medicare ACO program will depend on providers having the incentives to become an ACO and the flexibility to assume different levels of risk, ranging from exclusively upside arrangements to partial or fully capitated payment models.

Given that the first three year cycle of Medicare ACOs ends in 2015 and more providers will be entering accountable care in the coming years, the Centers for Medicare and Medicaid Services (CMS) has indicated that they intend to release a Notice of Proposed Rulemaking (NPRM) affecting the Medicare ACO Program.

In anticipation of these coming changes, the Engelberg Center for Health Care Reform has identified a number of critical issues that warrant further discussion and considerations for ensuring the continued success of ACOs across the country. To support that discussion, we also present some potential alternatives to current Medicare policies that could address these concerns. These findings build on the experiences of the Engelberg Center's ACO Learning Network members and other stakeholders implementing accountable care across the country. In some cases, the alternatives might have short-term costs, but could also improve the predictability and feasibility of Medicare ACOs, potentially leading to bigger impacts on improving care and reducing costs over time. In other cases, the alternatives could lead to more savings even in the short term. In every case, thoughtful discussion and debate about these issues will help lead to a more effective Medicare ACO program.

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Technical Adjustments to Benchmarks and Payments

- Financial Benchmark Calculations
- Regional Variation in Financial and Quality Performance
- Risk Adjustment

Potential Policy Solutions Discussed at Summit

- Greater predictability: steps toward prospective attribution and benchmarks
- Refine risk adjustment calculations to better account for variation in patient populations
- Standardize minimum savings rate (MSR) so that smaller ACOs are not held to higher savings thresholds

Transition to More Person-Based Payments

- Creating a Transition Path for Increasing Accountability
- Inclusion of Medicare Part D in ACO Arrangements

Potential Policy Solutions Discussed at Summit

- Create a transition path toward greater person-based payment
- Reduce uncertainty about risk bearing through transition options and thoughtful limits on risk-sharing
- Create pathways for incorporating outpatient drugs in ACO arrangements to provide more support for reducing overall costs

Increased Beneficiary Engagement

- Current Attribution Methodology Make it Difficult to Coordinate Care
- Patients Lack Incentives to Seek Care in the ACO
- Patients are Not Activated Members of the Care Team

Potential Policy Solutions Discussed at Summit

- Develop mechanisms for beneficiaries to choose or actively enroll in ACOs
- Develop mechanisms for beneficiaries to share in percentage of savings, for example lower premiums, for active ACO participation

Critical Policy Considerations for ACO Success



Enhanced and Better-Aligned Performance Measures

- Administrative Burdens
- Lack of Measure Alignment Among Payers
- Effectively Rewarding Quality Improvement
- Concerns about Measure Selection

Potential Policy Solutions Discussed at Summit

- Move from process to outcome-based measures, accounting for reliability of measures
- Foster alignment of measures between Medicare and commercial payers
- Streamline reporting of quality measures

Critical Policy Considerations for ACO Success



Better, More Consistent Supporting Data

- Reconciling Data
- Patient Data Opt-Outs
- Lack of Timeliness for Receiving Data
- Difficulty of Tracking Patients through Health Care System
- Delay in Performance Feedback

Potential Policy Solutions Discussed at Summit

- Expedite CMS reporting of claims data
- Increase transparency of attribution, benchmarks, and quarterly data reports
- Increase the availability of ADT notifications

Critical Policy Considerations for ACO Success



Link to Reinforcing Payment Reforms

- Linking Bundled Payments for Episodes with ACOs
- Multi-payer ACOs
- Defining an ACO Based on Tax Identification Number (TIN) Limits Other Payment Innovation

Potential Policy Solutions Discussed at Summit

- Support the development of multi-payer ACOs: Medicare and commercial, including “provider-led” options
- Clarify methods for complementary payment reforms including bundles, PCMH to be implemented by Medicare ACOs
- Move to patient attribution by NPI

Bonus Payment and Other Incentives to Participate

- Smaller ACOs Struggle to Find Financial Capital to Get Operations Off the Ground
- Many Organizations are Uncertain if They Can Assume Risk and Succeed as an ACO
- Transforming Care Requires Significant Staffing and Clinical Changes

Potential Policy Solutions Discussed at Summit

- Provide more up-front funding for organizations to become ACOs, including through adoption of alternative payment methods to fee-for-service
- Promote approaches that help ACOs obtain up-front capital from private partners

Clinical Transformation

- Providers Need More Support in Undertaking Clinical Transformation

Potential Policy Solutions Discussed at Summit

- Support better evidence on effective ACO strategies and sharing of best practices

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John Pilotte, MHS

Director, Performance-Based Payment Policy Group
Center for Medicare
Centers for Medicare and Medicaid Services

ACO Learning Network: Implementation through Collaboration



Our Objective:

Collaborate with members to identify and share effective accountable care implementation strategies and tactics and drive robust member-to-member dialog focused on discussing key challenges and best practices

Our Members:

Over 70 leading, providers, payers, associations, and industry organizations from across the country all committed to driving accountable care practices

Benefits of Membership

- Library of implementation tools and research products on ACO implementation
- 9 Core Network webinars based on a cutting edge curriculum with industry experts
- 2 Member-driven workshops
- Participation in implementation-focused Innovation Exchanges
- Online ACO resources and research, including profiles of organizations implementing ACOs, a library of ACO publications, over 50 archived webinars, and past ACO LN event materials

Learn more at www.acolearningnetwork.org or e-mail aco@brookings.edu.

ACO Learning Network Innovation Exchanges



Physician-Led ACOs Innovation Exchange

- Identifies critical areas of need and opportunities for physician-led ACOs and develops tools and resources to help these ACOs succeed. Topics include identifying and managing high-risk patients, crafting referral networks, engaging patients, and using event notifications to improve care

Optimizing the Value of Pharmaceuticals Innovation Exchange

- Examines ways to improve the use and integration of pharmaceuticals into ACOs, through novel stakeholder arrangements that consider existing challenges, structural constraints, and changing incentive landscapes

Commercial Payer-Provider ACO Forum

- Explores challenges for implementing commercial accountable care arrangements, including quality measurement alignment, and identifies key steps for effectively implementing new value-based payment and delivery models

ACOs 2.0: Future Policy and Regulatory Changes

- Identifies existing barriers to effective accountable care implementation in both the private and public sector and considers potential policy and regulatory changes to help organizations of varying experience and composition to succeed as an ACO

Thank you...



- To all of you for attending, contributing and participating in the ACO Summit making it a truly collaborative event
- To the dozens of speakers that graciously volunteered their time and have been leading ACO implementation across the country
- To the sponsors that made this event possible and are actively supporting ACO implementation
- Thanks to the MANY people behind the scenes that made the Summit possible:
 - *Brookings*: Ross White, Larry Kocot, Pratyusha Katikaneni, Marcela Cabello, Christine Dang-Vu, Farzad Mostashari, Anna Marcus, Darshak Sanghavi, Barbara Gage, all staff over past few days
 - *Conference Administrators*: Peter Grant and his team, including Suzanne Tyler, Kathryn Plumb, Justin Sorensen, the AV team
 - Hotel staff and everyone else who made things run smoothly



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