



Accountable Care Organizations-The Physician Perspective

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Monarch HealthCare

- **IPA based in Orange County, California**
- **Owned and operated by physicians**
- **165,000 lives cared for under prepayment**
- **2300 office based physicians (750 PCPs)**
- **17 hospital relationships**
- **All major health plan HMO and many PPO contracts**

Massachusetts Commonwealth Care

- 3 years into the program 97% are insured but costs are out of control
- State commission has recommended to restructure payments
- Doctors and hospitals would form networks called accountable care organizations responsible for a patient's well-being and compensated with a flat monthly payment
- Plan would offer financial incentives for performance that would transform physicians into care coordinators

Qualifying ACOs HR 3200

- Legal structure to receive and distribute incentive payments
- Report on quality measures
- Contribute to a best practice network for sharing strategies on quality improvement, care coordination and efficiency
- Patient-centered processes of care

Legal Structure To Receive And Distribute Incentive Payments

- IPA is a corporate entity
- Risk bearing organization that accepts and distributes bundled payments
- Financial and clinical integration of physicians
- Physicians receive performance incentive bonus based upon quality metrics

Report On Quality Measures

- IHA P4P program in place since 2003 with health plan payments to IPAs and Medical Groups
- Metrics include patient satisfaction, HEDIS, clinical areas, and efficiency
- Individual physicians receive report card on comparative performance

Sharing Strategies On Quality Improvement, Care Coordination And Efficiency

- **IPA clinical programs:**
 - Hospitalists: inpatient, SNF and ER
 - Inpatient nurse case managers
 - Ambulatory care management programs
- Statewide collaboratives on quality and patient satisfaction
- Statewide seminar on best practices for avoiding readmissions

Patient Centered Processes Of Care

- Inpatient care management nurses coordinate with ambulatory care managers for smooth transitions
- Chronically ill, complex and frail patients interact with case managers
- Palliative care team conferences
- Physician, nurse practitioner, and social worker home visits

Hospital Collaboration

- Hospital can hold institutional risk in CA
- Bundled payment for services coming
- Hospitalists can manage unassigned, PPO and traditional Medicare patients
- Joint recruitment of physicians
- Integrated electronic health record
- Care management and discharge planning coordination
- Create a truly integrated delivery system!

ACO Critical Success Factors: How Can Model Work Elsewhere?

- Tier levels of ACOs based on local capability
- Engage physician leadership with business acumen, and hire business talent
- Develop finance department strength and maintain adequate reserves
- Clinical department should bring value, not merely perform administrative processes

ACO Critical Success Factors: How Can Model Work Elsewhere?

- Invest in robust IT system, with actionable data warehouse reporting capability, and an enterprise wide electronic health record
- Align physician incentives through downstream concurrent payment coupled with a performance bonus
- Reduce the physician hassle factor and pay physicians in a timely manner

Independent Practice Association

