

HOW THE BEST ACCOUNTABLE CARE ORGANIZATIONS IMPROVE VALUE

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Important Reminder

**Many Different Types of ACOS
Operating in
Many Different Contexts
Similar for Forms of Payment**

Key Idea

Co-evolution of payment and
organizational form
“the chicken *and* the egg”

Five Different Models

- Integrated Delivery Systems (Kaiser-Permanente, Group Health Cooperative of Puget Sound, Henry Ford Health System, Intermountain Health System, Trinity Health System)
- Multi-Specialty Group Practices (Mayo Clinic, Billings Clinic, Cleveland Clinic, Virginia Mason, Marshfield Clinic)
- Physician Hospital Organizations (Advocate, Middlesex)
- Independent Practice Associations (IPAs – Hill Physicians Group, Health Partners in Los Angeles, many others)
- “Virtual” Physician Organizations (Community Care of North Carolina, Grand Junction, Colorado, Humboldt County, California)

Ability to Respond

ACOs

Payment Form

IDS

MSGP

PHO

IPA

Virtual

Full Capitation

Partial Capitation

Episode of Illness

Bundled Payment

Fee-For-Service

	IDS	MSGP	PHO	IPA	Virtual
Full Capitation					
Partial Capitation					
Episode of Illness					
Bundled Payment					
Fee-For-Service					

Our best ACOs currently are selected integrated delivery systems and multi-specialty group practices



What is the Evidence?

- IDss and MSGPs provide more preventive care
- Provide more recommended elements of care for patients with chronic illness
- Show greater improvement over time in use of recommended care management processes

Study of 272 Health Plans Nationally

- The greater the extent of network integration (i.e. a group or staff model) the higher the plan's performance for women's health screening, immunization rates, heart disease screening and diabetes screening.

Source: R.R. Gillies, K.E. Chenok, S.M. Shortell, G. Pawlson, and J.J. Wimbush. "The Impact of Health Plan Delivery System Organization on Clinical Quality and Patient Satisfaction." Health Services Research, August 2006; 41(4): 1181-1199

Study of 652 Diabetic Patients in Three Minnesota Health Plans

- HbgA1c, LDL, Blood Pressure Control, Nephropathy Exams, Eye Exams, and Foot Exams
- All Significantly Better Quality Scores with Patients Whose Physicians were Salaried than Those Who were Fee-For-Service

Source: N.L. Keating, M.B. Landrum, B.E. Landon, et al. "The Influence of Physicians' Practice Management Strategies and Financial Arrangements on Quality of Care Among Patients with Diabetes." Medical Care, Sept 2004;42(9):829-839.

IDSs also have lower physician and hospital costs for Medicare patients and lower hospitalization days and ICU days

How Do They Do It?

Key Insight

They create a system of learning that is not possible or very difficult for other delivery models to achieve

Elements of the DNA

- EHR Functionality
- Practice Redesign
- Systems Engineering Tools
 - Statistical Process Control
 - PDSA Cycles
 - Quality Functional Deployment
 - Lean Production

VA Example

VA outperformed FFS Medicare on 12 out of 13 quality indicators for prevention, acute and chronic care.

“We believe that the re-engineering of VA healthcare which included the implementation of a systematic approach to the measurement of, management of, and accountability for quality, was at the heart of improvement.”

The DNA of Integrated Delivery

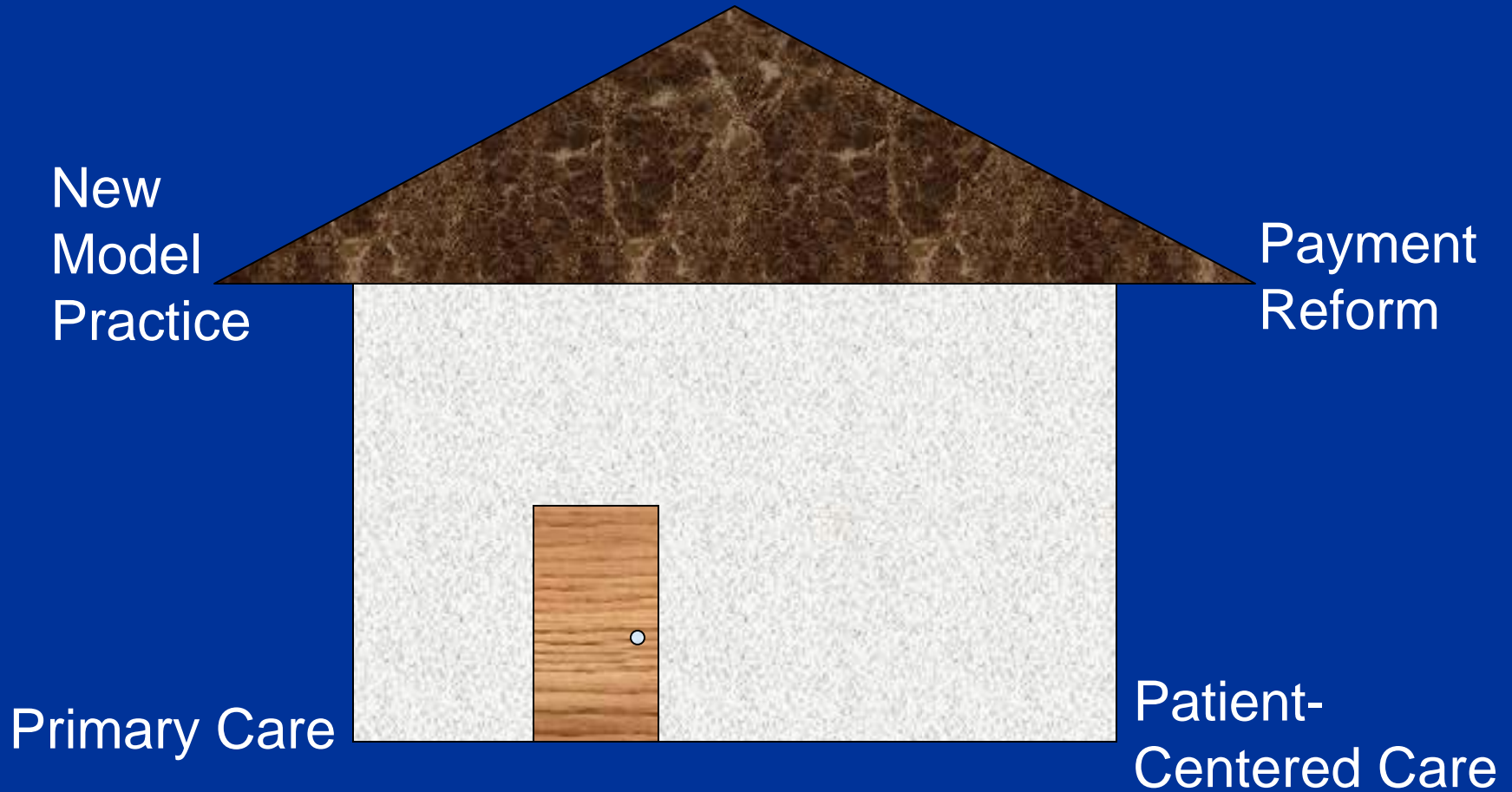
- Teams
- Leadership
- Culture

Aligned payment incentives drives all. Puts everyone “on the same page”.

Strong Ties Among All Entities

Patient Centered Medical Home as the Foundation for Many ACOs

Four Cornerstones



Source: DR Rittenhouse and SM Shortell, "The Patient-Centered Medical Home: Will It Stand the Test of Health Reform?" JAMA, May 20, 2009;301(19):2038-2040.

What Is the Evidence?

- Quality of Care, Patient Experience, Care Coordination and Access Are Better
- Reductions in ER Visit and Hospitalizations
- At Least Cost Neutral
- Internationally, Systems with Greater Investment in Primary Care Have Better Health Outcomes at Lower Cost

Some Specific Examples

Group Health Cooperative of Puget Sound

- 29% reduction in ER visits; 11% reduction in ambulatory care sensitive admissions versus control sites
- Significantly higher patient experience scores and less staff burnout
- No increase in overall cost
- Now being implemented in all 26 primary care clinics serving 380,000 patients

Some Specific Examples (Cont'd)

Community Care of North Carolina

- 40% decrease in hospitalizations for asthma and 11% lower ER visits
- Total savings to Medicaid and SCHIP Programs of \$135 million to \$400 million
- Now involves 1300 community-based practice sites and approximately 4500 primary care clinicians throughout North Carolina

Some Specific Examples (Cont'd)

Geisinger Proven Health Navigator Model

- Statistically significant 14% reduction in hospital admissions relative to control and 9% reduction in total costs at 24 months
- Estimated \$3.7 million net savings for a ROI of > 2 to 1

Colorado Medicaid and SCHIP

- Median annual costs of \$785 for PCMH children versus \$1000 for controls due to reductions in ER visits and hospitalizations

Some Specific Examples (Cont'd)

Intermountain Health Care

- Absolute reduction of 3.4% in 2 year mortality in comparison with control group focusing on high-risk elderly
- 10% relative reduction in hospitalizations and even greater among those with chronic illnesses. Net reduction in total costs of \$640 per patient per year; \$1650 among highest risk patients
- Now being implemented in 75 practices in 6 states

“Medical Home Run” Examples –
lowered costs by 15 to 25 percent
without any diminution in quality.

- Arnie Milstein and Elizabeth Gilbertson

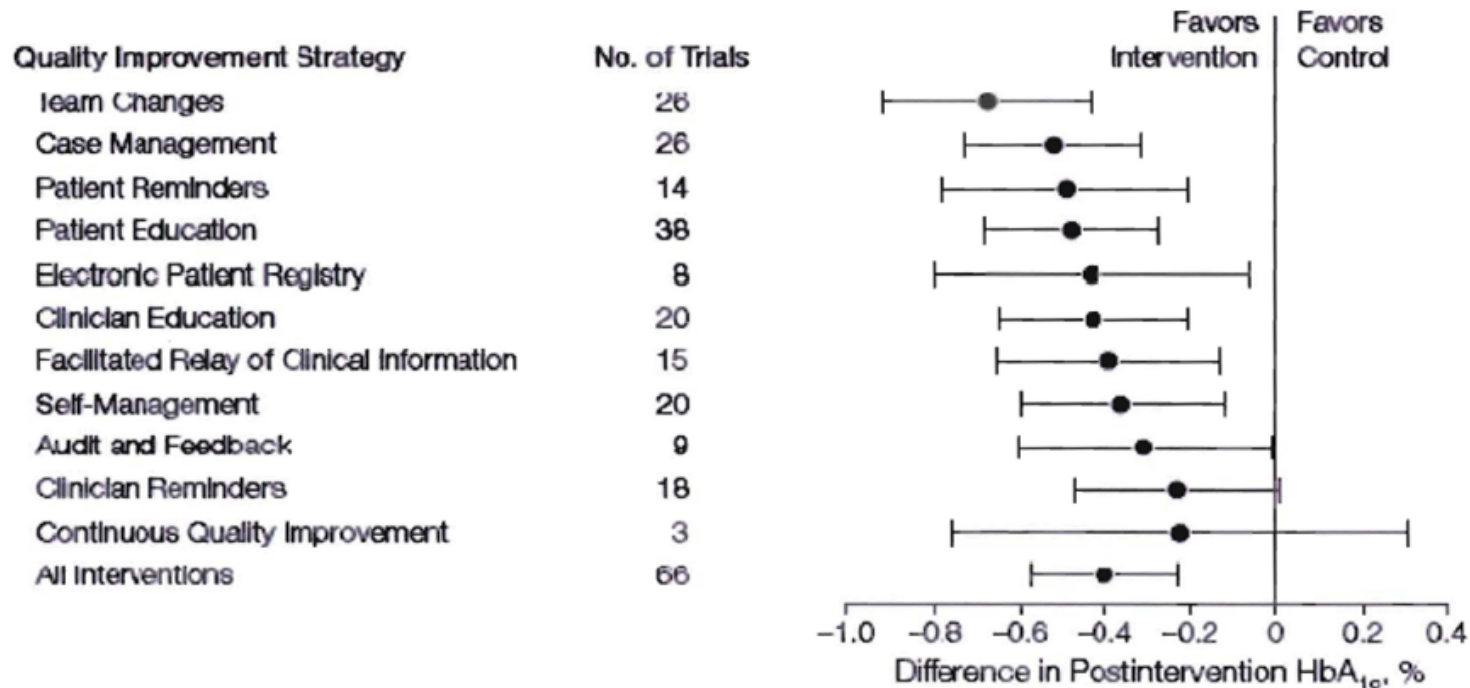
Common Features

- Exceptional Individualized Caring for Patients with Chronic Illness
 - Care Teams Focused on Preventing Crises
 - Ambulatory “ICUs”
- Efficient Service Provision
 - Standardization of Care Practices and Training of Staff
- Careful Selection of Specialists
 - Concentrated Referrals to Cost / Effective Specialists
- Leadership
 - Persistence
 - Tolerance for Risk
 - Instinct for Leverage on Clinical and Financial Outcomes
 - Strong Sense of Personal Accountability to Prevent Crises

Quality Improvement

66 trials of HbA1c reduction in Diabetes

Figure 2. Postintervention Differences in Serum HbA_{1c} Values After Adjustment for Study Bias and Baseline HbA_{1c} Values



Shojania et al, JAMA 2006 vol 296, no 4, p 427

Major Challenge

How do we bring ACOs and PCMHs to scale across the country?

How do we spread?

Thank You!

“Healthier Lives In A Safer World”

